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MUNICIPAL INFRASTRUCTURE AND IDP HOUSING REHABILITATION PROJECT

Annual Report Year 2 (October 2011 - September 2012)

CONTRACT: AID-EDH-I-00-08-00027-00, TASK ORDER: AID-114-TO-11-00002

1 November 2012; 3 November 2012

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November 3, 2012

Mr. Bradley Carr
Water Irrigation and Infrastructure Advisor
Office of Economic Growth
United States Agency for International Development
11 George Balanchine Street
Tbilisi, 0131, Georgia

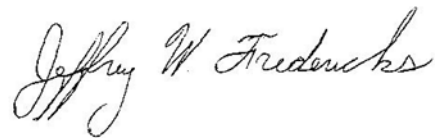
Re: Annual Report Year 2 (October 2011 – September 2012) for the Municipal Infrastructure and IDP Housing Rehabilitation Project

Dear Mr. Carr:

This report is being submitted to you in accordance with the requirements of task order no. AID-114-TO-11-00002 of contract AID-EDH-I-00-08-00027-00. It provides Tetra Tech's Annual Report Year 2 (October 2011 - September 2012) for the Municipal Infrastructure and IDP Housing Rehabilitation Project.

We look forward to your review and welcome your comments and suggestions.

Very truly yours,



Jeffrey W. Fredericks, P.E., PhD
Chief of Party
Tetra Tech, Inc.
USAID/ Caucasus – Municipal Infrastructure and IDP Housing Rehabilitation Project (GMIP)
10th Floor, 154 Aghmashenebeli Ave.
Tbilisi, 0102, Georgia
Tel: +995322910401, Fax: +995322910401
Email: Jeff.Fredericks@tetrattech.com

CC: USAID (George Kokochashvili); MDF (Kartlos Gviniashvili); Tetra Tech (Firouz Rooyani, Dean White, Brian Potvin, Tetra Tech DCC)

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ACRONYMS

BEO	Bureau Environmental Officer
BOQ	Bill of Quantities
BSG	Black Sea Group LTD
CM	Construction Management
CO	USAID Contracts Office
COP	Chief Of Party
COR	USAID Task Order Cognizant Technical Officer
DB	Design-Build
DCC	Document Control Center
DCOP	Deputy Chief Of Party
DQC	Design Quality Control
EA	Environmental Assessment
EC	MDF Evaluation Committee
EOI	Expression of Interest for Consulting Services
ESS	Environmental Scoping Statement
IFB	Invitation for Bids
FBO	Federal Business Opportunities
GEL	Georgian Lari
Geo	Geo Ltd
GMIP	Municipal Infrastructure and IDP Housing Rehabilitation Project (the project)
GoG	Government of Georgia
GUWC	Georgian United Water Company
HO	Home Office
IDP	Internally Displaced Persons
IL	Implementing Letter
KAV	Kaviprotansi-Mg Ltd
LOE	Level of Effort
LTTA	Long Term Technical Assistance
MEO	Mission Environmental Officer
MDF	Municipal Development Fund
MRA	Ministry of Refugee Affairs
MRDI	Ministry of Regional Development and Infrastructure
NEO	New Economic Opportunities (USAID Project)
NGO	Non-Government Organization
PEA	Programmatic Environmental Assessment
PMP	Performance Monitoring Plan
PO	Purchase Order
PPE	Personal Protection Equipment
QA/QC	Quality Assurance/Quality Control
QBS	Quality Based Selection
RFP	Request for Proposal
SSECP	Site-Specific Environmental Compliance Plans
SSMMP	Site Specific Mitigation and Monitoring Plans
STTA	Short Term Technical Assistance
TBD	To Be Determined

TOR	Terms of Reference
Tt	Tetra Tech Inc.
USAID	United States Agency for International Development
WWT	Wastewater Treatment

I. EXECUTIVE SUMMARY

I.1 Authorization

Under the United States Agency for International Development (USAID)/ Caucasus – Municipal Infrastructure and IDP Housing Rehabilitation Project (GMIP) Contract No. AID-EDH-I-00-08-00027-00 Order No: AID-I14-TO-I1-00002, Tetra Tech EM Inc. (Tt) is responsible for providing support to monitor current processes and practices, identify and mitigate areas of risk, and carry out oversight and quality control efforts to ensure that selected municipal and internally displaced persons (IDP) infrastructure projects are implemented effectively and in accordance with U.S. and Georgian standards and regulations.

The period of performance for the contract is May 23, 2011– November 22, 2013.

I.2 Purpose of Report

The purpose of this report is to summarize progress of the major activities during Year 2 (October 2011- September 2012). It combines the activities of all four quarters and provides an assessment towards achieving the annual objectives set forth in the annual work plans, including information for the USAID performance indicators.

I.3 Components

The project includes three major components and two subcomponents:

1. Component 1: Municipal Infrastructure
2. Component 2: Rehabilitation Of Irrigation Infrastructure
3. Component 3: IDP Durable Housing
 - a. Subcomponent 1: Provide Water And Sanitation Upgrades for IDP Cottage Housing For IDPs from the August 2008 Conflict
 - b. Subcomponent 2: Provide Durable Housing Solutions for IDPs from 1990s Conflict

I.4 Summary

The purpose of the GMIP Tt task order is to provide technical assistance and support to the USAID Mission in Georgia in its efforts to monitor current processes and practices, identify and mitigate areas of risk, and carry out oversight and quality control to ensure that selected municipal and IDP infrastructure projects are implemented effectively and in accordance with certain U.S. and Georgian standards and regulations. The Tbilisi-based Tt team provides oversight and monitoring of planning, design, and technical matters, while also contributing to capacity building, mentoring, and collaboration/coordination with appropriate stakeholders. The municipal and IDP infrastructure projects include:

- Projects for road rehabilitation, flood protection, and water supply
- Agricultural irrigation projects focused on rehabilitation of the primary and secondary canals on certain systems

- Water and sanitation upgrades for cottage housing for IDPs for potable water systems and to improve liquid and solid waste disposal in their settlements
- Durable Housing Solutions for IDPs rehabilitation of approximately 2,600 family dwelling units

As of 30 September 2012, GMIP has completed 16 months of the 30 month contract (53%) and expended USD 2,683,517 or 54% of the total USD 4.77 million budget.

Municipal Development Fund (MDF) has disbursed a total of USD 2,515,915 or 4.80% of the total MDF budget of \$52,399,097; USD 1,894,274 for Implementing Letter (IL) 1 and USD 621,641 for IL 2.

During this reporting period, Tt concentrated on:

- Assisting MDF and USAID in finalizing project selection. Site visits were completed to all the municipal infrastructure projects (8), the irrigation projects (2), the cottage settlements (14) and the 93 buildings and 36 hospitals proposed by Ministry of Refugee Affairs (MRA) for IDP housing rehabilitation.
- Finalizing project selection for the **Municipal Infrastructure** subprojects; evaluation and selection of contractors, mobilization of Tt oversight and MDF construction management teams, and start of work for the two roads Design-Build (DB) contracts for 6 road sub-projects; approval & issue of Request for Proposal (RFP) and opening of bid documents for design of Dusheti Flood Protection subproject; and finalizing and issuing of a DB bid document for Gori Water Supply subproject.
- Completing and finalizing the procurement documents for the design-build **Irrigation** contract; evaluation and selection of contractor, mobilization of Tt oversight and MDF construction management teams, and start of work for the DB Irrigation contract; oversight, review, and monitoring of design and construction works for the DB Irrigation contract (Works are 8% complete. Safety issues have developed because of the discovery of land mines that may affect the progress of the work).
- Finalizing the works to be carried out for water supply upgrades and conducting a study on alternatives for determining the recommended sanitary improvements for the cottage settlements; and preparation of bid documents for Improvement of Potable Water Supply in **9 IDP Cottage Settlements** (Gori, Kareli, Kaspi and Mtskheta Municipalities).
- Evaluation and selection of a contractor, mobilization of Tt oversight and MDF construction management teams, and start of work for the DB contract for the 10 unoccupied IDP buildings; oversight, review, and monitoring of design and construction works for the DB contract for the **rehabilitation of 10 unoccupied IDP buildings** (apartment 351 units); MDF and the contractor training on preparation of a mock-up apartment; compliance on USAID Policy on standards for providing rehabilitated buildings with Accessibility for the Disabled for USAID-Financed Construction; review of source of construction materials; and organization of focus group meetings with IDPs to discuss building floor plan layout options (Works are 5% complete).
- Identifying and confirming additional hospitals and confirming the status of the hospitals (8) and occupied buildings (26) for **rehabilitation as IDP housing**. Review of the final

list of unoccupied 8 Hospitals (973 apartment units) and 28 occupied collective center buildings (813 apartment units) for rehabilitation as IDP durable housing approved by MRA; approval & issue of the RFP and evaluation of bid documents for two separate contracts for design of unoccupied hospitals (8) and occupied buildings (28) for rehabilitation as IDP durable housing.

- Conducting a “**Concept Study**” on options for construction of new IDP housing and assisting in the site selection for construction of new IDP housing in Kutaisi.
- USAID approval of **Environmental Actions** for the Environmental Assessments (EA) for roads & irrigation; and finalizing the Programmatic Environmental Assessment (PEA) for IDP Durable Housing. Submittal and approval of environmental clearances that included addendum to the Roads EA for Goriyvari Road and Pushkin Street; scoping statement for Flood/River Bank Protection; the Initial Environmental Examination (IEE) Negative Determination with conditions for Gori internal water supply; scoping statement for Oni water supply and the PEA for IDP Durable Housing to account for hospitals and water supply and drainage for the cottage settlements.
- Conducting the **Gap analysis** on GMIP’s capacity to carry out construction/project management & supervision
- Preparation of a Quality Assurance/Quality Control (QA/QC) Plan and a Health and Safety Plan.
- Start-up of the Document Control Center (DCC).
- Review and approval of all MDF financial advances and liquidation of these advances

Tt staff have daily communications and attend regular twice-weekly meetings with USAID and MDF. Monthly meetings are held with all contractors. Regular visits are made to all construction sites. Tt staff regularly accompanied the USAID Task Order Cognizant Technical Officer (COR) and Engineering Specialists on their field visits.

There were several **Special Events** during the year including a two day training course on procurement integrity, the inauguration by the U.S. Ambassador of the Tiriponi-Saltvisi Irrigation Systems in December 2011, several Construction Management Support Workshops, and several Environment and Health and Safety Training courses. Tt staff accompanied the USAID COR and MRA Deputy Minister on a three day field visit to investigate possible locations for new building construction for IDP durable housing in April 2012; the USAID Mission Director on a visit to Oni Roads Project; Bureau Environmental Officer (BEO) and Mission Environmental Officer (MEO) on a site visit to Cottage Settlements and Goriyvari road subproject in May 2012; USAID COR and European Union (EU) Project Manager on a visit to several Cottage Settlements in June 2012; the MRA Minister on a visit to Imereti in June 2012; and the U.S. Embassy Refugee Coordinator during his field trip to Kutaisi in September 2012. In addition, the Deputy Chief of Party (DCOP) attended the New Economic Opportunities (NEO) sponsored “Local Government Capacity Building Training on Housing Owners Association Issues” workshop held in Chakvi. Tt staff also attended the “Environmental Compliance and Sustainability Procedures for USAID A/CORs and Implementers” held in Tbilisi.

Tt hired several **additional local long term staff** including; an irrigation engineer, a regional engineer for Kutaisi, regional construction over-site engineer for Kutaisi and a Document

Control Manager. Tt hired two additional short term local staff including a roads engineer and a replacement financial management specialist. Brian Potvin replaced Thomas Chicca as Tt Home Office (HO) Task Order Manager.

A **regional office** was opened in Kutaisi.

Deliverables for the Reporting Period included:

- Weekly reports
- Regional Office reports
- Site Visit Reports
- Trip assignment reports
- Design Review reports
- Formal review of over 30 bid and contractual documents
- Bid evaluation reports
- Contractor Due Diligence reports
- Workshop and training reports
- Various Site Specific Environmental Compliance Plans and scoping statements
- Component 1 Roads with addendum
- Initial Environmental Examination Amendment for Gori Internal Water Supply
- Component 2 Irrigation EA
- Component 3 PEA for Durable Housing with revision for water supply & drainage for cottage settlements
- Annual Work Plan (FY 2011/12)
- Annual Work Plan (FY 2012/13) for GMIP
- Annual Report for Year 1 (May - Sep 2011)
- Quarterly Report Year 2: 1st Quarter (October - December 2011)
- Quarterly Report Year 2: 2nd Quarter (January - March 2012)
- Quarterly Report Year 2: 3rd Quarter (April – June, 2012)
- Performance Monitoring Plan
- Concept Study – A Proposed USAID Funded New IDP Housing Subproject
- Gap Analysis in GMIP Construction Management Practices
- Health and Safety Plan
- Construction Management Guidelines and QA/QC Plan

2. PROGRESS OF MAJOR ACTIVITIES/DELIVERABLES

2.1 Component I Municipal Infrastructure

2.1.1 Project Selection

Component I focuses on rehabilitating infrastructure projects in municipalities impacted by the 2008 conflict with Russia. Consistent with the Congressional Notification of 1207 approximately \$9.4 million is allocated on activities directly related to infrastructure rehabilitation. In agreement with the Ministry of Regional Development and Infrastructure (MRDI) five municipalities were pre-selected for assistance: 1) Dusheti; 2) Mtskheta; 3) Gori; 4) Kareli; and 5) Oni. The rehabilitated infrastructure should impact at least 60% of the municipal population and contribute to economic growth in these locations.

Municipalities were advised that USAID would make funding available for rehabilitation activities subject to the following considerations:

- Evidence of civic participation in selection and monitoring of projects through transparent and inclusive practices;
- Reasonable expectation that rehabilitated infrastructure will impact significant portion (directly and indirectly) of the municipal population;
- Reasonable expectation that rehabilitated infrastructure will contribute to economic growth or greater efficiencies;
- Commitment by appropriate government institutions (national and municipal) to maintain rehabilitated infrastructure, including budget allocations and existence of qualified personnel and required equipment; and
- Potential to leverage or be leveraged by other USAID/Georgia funded activities, or those of other donors.

Upon notification by MDF, targeted municipalities were invited to identify and propose to MDF no more than three infrastructure rehabilitation activities that satisfy the USAID/Georgia criteria listed above.

Each of the five municipalities held public meetings in September/October 2010. Final project nominations closely equaling the dollar value set aside to each municipality were forwarded to the MDF for final consideration. At the request of MDF, the municipalities submitted follow-up letters in November 2011 restating and prioritizing their lists for infrastructure rehabilitation. Several projects were added to the list and several were dropped.

The final feasibility study reports on eight municipal infrastructure projects prepared by Kavgioprotransi-Mg Ltd (KAV) were approved in January 2012. The feasibility studies considered:

- Engineering, architectural, and other technical needs;
- Potential environmental impact(s) and mitigation(s);
- Anticipated social and economic impact to municipal populations;
- Expected contribution to regional economic development; and
- Reasonableness of estimated cost.

The reports covered the following projects:

#	Location	Project Name	Feasibility Cost Estimate (USD)
1	Dusheti	Installation of River Dushetiskhevi bank protection and restoration-rehabilitation of bridges over the river	1,522,956
2	Gori	Rehabilitation of internal water supply and installation of water meters in apartment buildings in Gori	872,378
3	Kareli	Rehabilitation of Sogholasheni-Dvani motor road	2,353,433
4	Mtskheta	Mtskheta Roads (10.4 km) / Rehabilitation of roads for development of infrastructure in Mtskheta Municipality	2,311,314
5	Oni	Oni Roads (2.6 km) / Installation of asphalt paving in Town Oni internal roads	940,920
6	Dusheti	Rehabilitation of Town Dusheti streets and storm drains	1,040,542
7	Gori	Railway Settlement Water Supply, Sewerage and Storm Water Systems	2,497,466
8	Gori	Rehabilitation of Gori Streets	2,918,886
	Total		14,457,895

The MDF Supervisory Board met on 28 December 2011 and 10 May 2012 to review the proposed sub-projects. Because the budget available under the USAID program for Municipal Infrastructure projects is USD 9,501,500 a number of the projects were dropped from the project list. The final list of the Municipal Infrastructure projects selected for implementation is shown below.

#	Location	Subproject Name	Original Feasibility Cost Estimate (USD)	Updated Cost for Approved Projects Oct 12 (USD)	Status
1	Dusheti	Installation of River Dushetiskhevi bank protection and restoration-rehabilitation of bridges over the river (1.5 km river reach; 2 box culvert bridges)	1,522,956	-	Dropped; budget limitations
2	Dusheti	Rehabilitation of town of Dusheti streets and storm drains (7 streets)	1,040,542	678,387	Approved

#	Location	Subproject Name	Original Feasibility Cost Estimate (USD)	Updated Cost for Approved Projects Oct 12 (USD)	Status
3	Kareli	Rehabilitation of Sogholasheni-Dvani motor road (12 km)	2,353,433	3,113,326	Approved
4	Mtskheta	Mtskheta Roads (11 streets) Rehabilitation of roads for development of infrastructure in Mtskheta Municipality	2,311,314	1,166,096	Approved
5	Oni	Oni Roads (2.4 km, 5 streets) Installation of asphalt paving in Town Oni internal roads	940,920	1,018,182	Approved
6	Oni	Rehabilitation of water supply head works in town of Oni	-	516,179	Approved
7	Gori	Rehabilitation of internal water supply and wastewater networks and installation of water meters in apartment buildings in Gori (122 buildings; 3765 apartments)	872,378	1,064,685	Approved
8	Gori	Rehabilitation of Pushkin St. (0.92 km)	485,000	562,494	Approved
9	Gori	Rehabilitation of road to Gorijsvari Saint George Church in Gori (1.45 km)	647,306	1,550,188	Approved
10	Gori	Rehabilitation of pavements and sidewalks of the streets in May 26th, Moscow streets and Railway Settlement in Gori	2,918,886	-	Dropped; underground utilities need replacement
11	Gori	Railway Settlement Water Supply, Sewerage and Storm Water Systems	2,497,466	-	Dropped B/C<1
12	Gori	Riverbank protection of 26 May river bank in Gori (750 m)	253,969	-	Dropped; to be implemented by Municipality
	Total		15,844,170	9,669,536	

Assistance was provided to USAID in preparation and compilation of letters on operation and maintenance (O&M) capability of the five municipalities and Georgian United Water Company (GUWC) for a certification memo in accordance with the Section 611(e) of the Foreign Assistance Act of 1961 to ensure that the host country can effectively maintain and utilize the project. USAID approved the Section 611(e) for the proposed municipal projects on 11 May 2012.

A cost-benefit analysis was carried out for Gorijsvari by a local consultant. The results showed a benefit to cost (B/C) ratio slightly over one.

All subprojects were reviewed by Tt. Tt staff conducted site visits to the municipalities to confirm status of underground utilities along the roads proposed for rehabilitation.

2.1.2 Procurement

The procurement phase is on-going. It began on 15 September 2011.

The status of the various Municipal Infrastructure procurements is presented below.

#	Description	Type	Status
	Component 1 (Municipal Infrastructure)		
1	Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, and Municipal Road Sagolasheni – Dvani. ICB No: USAID/CW/ICB/03-2012	Design-Build	Contract Signed on 17 Aug 12 / on-going
2	Rehabilitation of Internal Roads in Town Oni IFB No. USAID/W/ICB/03-L2/1-2012	Design-Build	Contract Signed on 17 Aug 12 / on-going
3	Rehabilitation works for Install water metering of 122 Housing and regulation valves in Town Gori, "Kombinati Residence" ICB No: USAID/CW/ICB/04-2012	Design-Build	IFB issued 17 Sep 12; Bids due: 22 Oct 12
4	Improvement of Headworks of town Oni Water Supplying System ICB No: USAID/CW/ICB/06-2012	Construction	Under preparation
5	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for Dusheti Gorge Flood Protection in Dusheti Town RFP No.: USAID/C/QBS/03	Consulting Services (Design / Design Inspection)	RFP issued on 31 Aug 12; Procurement Cancelled (Oct 12)

1. Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, Oni, and Municipal Road Sagolasheni – Dvani. ICB No: USAID/CW/ICB/03-2012

DB bid documents were approved by USAID on 8 June. There were three separate lots. Lot 1 included Mtskheta Roads/ Dusheti streets; Lot 2 included Oni internal roads; and Lot 3 included Gorijvari Road, Pushkin St., and Sogholasheni-Dvani motor road. The invitation for bids (IFB) was announced on 8 June and posted on Federal Business Opportunities (FBO). The pre-bid meeting was held at MDF on 25 June. Six firms attended. Four firms requested bid documents. The bid opening date was 9 July. There were two bidders, one for Lots 1 & 3 (Black Sea Group) and one for Lot 2 (Arnabi 21 Ltd & Megzeve). Black Sea Group LTD (BSG) was the Lowest Evaluated Responsive Qualified Bidder for Lots 1 & 3. Tt prepared a due diligence memo, finding BSG fully qualified technically and administratively to implement the project. The contract with BSG for Lots 1 & 3 after clearance by USAID was signed on 24 August. The original contract cost was USD 6,291,679. The expected completion date is January 21, 2013.

The bid for Lot 2 was disqualified because the bidder failed to provide a bid letter; the bid security was from an insurance company not from a bank; and the security deposit was for only one of two firms.

2. Rehabilitation of Internal Roads in Town Oni IFB No. USAID/W/ICB/03-L2/I-2012

Based on mutual agreement between USAID and MDF, it was agreed that MDF should re-announce the road works for Oni as a separate tender. The invitation for bids was announced on 13 July and posted on FBO. The pre-bid meeting was held at MDF on 23 July. Representatives of only 1 firm attended; however two companies requested bid documents. The bid opening date was 3 August. There were two bidders. Arnabi 21 Ltd was determined to be the Lowest Evaluated Responsive Qualified Bidder. It prepared a due diligence memo finding Arnabi 21 Ltd qualified technically and administratively to implement the project. The contract with Arnabi 21 Ltd after clearance by USAID was signed on 11 September. The original contract cost was USD 894,671. The expected completion date is February 8, 2013.

3. Rehabilitation Works for Installation of Water metering and regulation valves of 122 Housing in Town Gori, "Kombinati Residence". ICB No: USAID/CW/ICB/04-2012

The work is to be carried out as a DB contract. The bidding documents were reviewed and submitted to USAID for approval on July 6. USAID approved the bid documents on September 13. IFB was announced on FBO and MDF webpages on September 17. Bid opening is scheduled for October 22.

4. Improvement of Headworks of town Oni Water Supplying System ICB No: USAID/CW/ ICB/ 06-2012

The designs were prepared by GUWC under Government of Georgia (GoG) financing. The works are to be carried out as a construction contract. Draft bidding documents are under preparation.

5. Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for Dusheti Gorge Flood Protection in Dusheti Town. USAID/C/QBS/03

Draft Terms of Reference (TOR) and Scope of Services prepared by MDF were reviewed by Tt. The Expression of Interest for Consulting Services (EOI) was approved by USAID. It was advertised on May 29 on MDF webpages. The initial deadline for submission of EOI was June 11. Re-announcement was published on June 22 on FBO and MDF webpages with a deadline for submission of EOI on July 05. Overall six firms expressed their interest. The MDF short-listed three firms which possessed relevant qualifications. The RFP and Short-list were cleared by USAID on July 19 and July 22 respectively. The RFP was issued to the short-listed firms on July 26. The initial proposal submission deadline was August 23. The proposals submission deadline was shifted to August 29. Only one proposal was submitted by Designing Consulting Company BT Ltd (Georgia). MDF issued the technical evaluation report on September 24. Designing Consulting Company BT Ltd was found technically responsive. The financial proposal was opened on October 8. Because of program budget limitations USAID agreed that funding the design without funding construction was not justified. The procurement was canceled on October 9.

2.1.3 Design

A number of designs for several of the proposed projects were funded and prepared through the municipalities and other GOG organizations such as GUWC. Tt was required to review and comment on each of the designs.

GUWC prepared detailed designs of the “Rehabilitation of Internal Water Supply and Installation of Water Meters in Apartment Buildings” in Gori. The original designs were provided by GUWC on June 1. Because of question on flow rates and pressures in the external water supply system serving the project area, in order to allow a proper review of the design and to move forward with the subproject, MDF agreed to issue the tender as a DB contract.

Designs were prepared for “Rehabilitation of Road to Gorijvari Saint George Church” and in Gori by GEO LTD under contract to the Gori municipality. These were reviewed by Tt HO and returned to MDF for clarification and revision on June 1. Even after review by State Expertise questions remained. The subproject was included in the roads DB contract.

Designs were prepared in May 2012 for “Rehabilitation of Puskin Street, Gori” by GEO LTD under contract to the Gori municipality. The subproject was included in the Roads DB contract.

The design for rehabilitation of water supply head works in town of Oni was prepared by GUWC. The original delivery date proposed by GUWC was 25 June. Actual completion date was 30 August. Tt staff visited Oni and met with GUWC numerous times to review and discuss the subproject.

2.1.4 Environmental

In September 2011 USAID BEO confirmed that EA must be prepared for all municipal projects. To carry out the work Tetra Tech mobilized expatriate (Expat) STTA, Jim Gallup and Karen Menczer, supported by Mamuka Gvilava, local STTA.

Site-Specific Environmental Compliance Plans (SSECP) for Oni Street Rehabilitation were drafted and submitted to USAID on October 3. Environmental Scoping Statement (ESS) for Municipal Roads was drafted and submitted on November 23. The EA for Municipal Road Rehabilitation was submitted in January 2012. The EA prepared by Tt for Municipal Road Rehabilitation was approved by USAID BEO in March 2012. An Addendum for Gorijvari Road and Pushkin Street in Gori Municipality was submitted to USAID on 17 June. It was approved by BEO on August 22.

SSECP for Dushetiskhevi Flood Protection Site were drafted and submitted to USAID on October 3, 2011. A single ESS for the Rehabilitation of Dusheti Flood and Gori 26 May River Bank Protection projects was drafted and submitted on March 31, 2012. BEO comments were received on 20 June. These were addressed and returned to USAID on 25 June. The EA was to include a hydrologic study. It was expected that the study would be carried out by the consultant preparing the detailed engineering designs. However with the decision by USAID to cancel the sub-project no further work will be carried out on the EA.

At the request of USAID, Tt prepared an IEE Negative Determination with conditions for Gori Internal Water Supply Improvements Project in Kombinati Settlement. This was submitted to USAID on 25 June. It was approved by BEO on July 25.

2.1.5 Design/Construction management

Six road sub-projects are currently being implemented under two DB contracts. Merab Chivadze was assigned as the MDF Project Manager, Akaki Shubitidze was assigned as the Tt Roads Contract Manager, Vasil Apkhazava as the Tt QA/QC Engineer and Mamuka Shaorshadze as Tt Environmental, Health & Safety (EHS) Specialist on these contracts.

1. Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, and Municipal Road Sagolasheni – Dvani. (ICB No: USAID/CW/ICB/03-2012) with Black Sea Group LTD.

The contract is a five month contract that began in August 2012 and is expected to be completed in January 2012. Initial training for MDF Construction Management (CM) staff for QA/QC Guidelines and establishment of the DCC occurred in August. In addition, an advanced payment was made to the contractor in August. A Pre-Work Conference was held with BSG on August 24. As of September 21 BSG had started mobilization and preparatory works at all locations. Environmental and Health & Safety training was held in Gori on September 23.

Gorijvari Road

Construction permit was issued based on 50% design on September 4. Because of design, environmental and construction issues MDF requested to stop all work on Gorijvari pending approval of revised designs and Site Specific Environmental Monitoring Plan (SSEMP) on September 21. Progress as of 30 September 2012:

- Excavation is completed 90%
- Installation of concrete drainage channels 5%
- Stockpiling of sand-gravel material 60%
- Installing of water drainage pipe 30%

Mtskheta (32 streets)

No construction permit has been issued pending submittal of designs and SSEMP. During September designs (50%) were received on 26 streets; two streets were approved. Progress (6/32 streets) as of 30 September 2012:

- Site clearance 100%
- Leveling layer with sand-gravel 70%
- Arranging of the base crushed rock (0-40) 40%

Pushkin Sreet

Reviewed and approved Pushkin Street 50% designs on September 14. SSEMP was approved on October 1. Ninety five percent designs were approved on October 10. Construction permit was issued on October 11. Progress as of 30 September 2012:

- Milling of existing asphalt 100%
- Removal of existing curbstones 100%

- Installation of new curbstones 5%
- Installation of drainage pipe D=400 and wells 5%

Dusheti (8 streets)

No construction permit has been issued pending submittal of designs and SSEMP. Designs (50%) received in September returned for revision. Progress (2/8 streets) as of 30 September 2012:

- Site clearance 100%
- Leveling layer with sand-gravel 70%
- Arranging of the base crushed rock (0-40) 40%

Sagolasheni-Dvani

No construction permit has been issued pending submittal of designs and SSEMP. Progress as of 30 September 2012:

- Milling of existing asphalt

2. Rehabilitation of Internal Roads in Town Oni IFB No. USAID/W/ICB/03-L2/I-2012

The contract with Arnabi 21 Ltd is a five month contract that began in September 2012 and is expected to be completed in February 2013. The contractor did not request advanced payment. The Pre-Work Conference was held on September 7 in Oni. Environmental, Health & Safety trainings was held on September 12. Arnabi 21 Ltd started mobilization and preparatory works in two/five streets. MDF requested all work be stopped on September 20 pending approval of designs and SSEMP. Revised designs and SSEMP was approved the 1st week in October. Permission for construction was given on October 10, 2012. Progress (two/five streets) as of September 2012:

- Milling of existing asphalt 100%
- Removal of settled soil from carriageway 100%
- Leveling layer with mixed base 100%
- Liquid bitumen casting 100%
- Laying of Lower layer of asphalt 100%

2.2 Component 2: Rehabilitation of Irrigation Infrastructure

2.2.1 Project Selection

The proposed works for irrigation rehabilitation under GMIP was approved by the MDF Supervisory Board on 28 December 2011. The works included complete rehabilitation of Saltvisi Irrigation System main and distributary canals (46.6 km) serving 9,722 ha; and rehabilitation of Tiriponi Irrigation System main canal and secondary canals (72 km) including the Karbi head which works up to the first crossing of occupied territory serving 8,500 ha. The critical/significant facilities on Tiriponi main canal, after first crossing with occupied territories, may be added to originally suggested rehabilitation works if funding is available.

Tt staff conducted numerous site visits to the two project areas to review feasibility study results prepared by KAV. As a result of the site visits; review of Hydrosphere Report, 2009 (Project For Rehabilitation of Tiriponi and Saltvisi Irrigation Systems); OSCE Report prepared by

Flag International LTC, December 2008 (ERP Irrigation Assessment Report) and discussions with Mtkvari M the KAV/MDF project costs were accepted. A site visit report was prepared with comments and recommendations and submitted to USAID in December 2011. The final feasibility study reports on the two irrigation projects Saltvisi and Tiriponi Systems prepared by KAV were approved in January 2012.

As part of the technical assistance (TA) effort, Tt investigated the capabilities of local design firms to carry out the irrigation design work. It was concluded that there is good local capacity to do the work.

Assistance was provided to USAID and MDF in preparation and compilation of a letter on O&M capability of Ministry of Agriculture. This letter is required to support a USAID certification memo in accordance with the Section 611(e) of the Foreign Assistance Act of 1961 to ensure the host country can effectively maintain and utilize the project. USAID approved the Section 611(e) for the Irrigation subproject on 11 May.

2.2.2 Procurement

USAID and MDF agreed that a DB contract would be used for the rehabilitation of the irrigation works.

Because of MDF's limited experience with DB contracts, they requested assistance from Tt. The bid documents were cleared by USAID on February 2. The bid was announced on February 6. Pre-bid-meeting and site visits were held March 1-2. Seven firms participated in the site visits. Based on questions received from the pre-bid meeting a clarification letter was sent to all interested bidders on March 16.

1. Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems ICB No: USAID/WIICB/02-2012

The bid opening date was March 26, 2012. Two firms submitted proposals: OJSC Akkord Industry Construction Investment Corporation and Mshenebeli-80 Ltd. The low bid was submitted by Mshenebeli 80 Ltd for a total cost of Georgian Lari (GEL) 13,774,634.15 or USD 8,348,263. Tt reviewed and prepared a memo on the bid proposals. MDF Evaluation Committee (EC) met to review the proposal on 24 April. A follow-up meeting was held on 1 May. Mshenebeli 80 Ltd was the lowest Evaluated Responsive Qualified Bidder. The MDF evaluation report was sent to USAID on 3 May. Draft contract documents were sent to USAID on 17 May. Notification to Award of the irrigation contract was approved by USAID on 23 May. Final contract was approved by USAID 28 May. Contract was signed on 31 May. Signed contract was approved by USAID on 4 June. Because of project budget limits, the final price of the contract was set at USD 8,100,000. The 17 month contract is scheduled for completion on 1 November 2013.

2.2.3 Environmental

In September BEO confirmed that EA must be prepared for the irrigation projects. To carry out the work Tt mobilized Expat STTA, Jim Gallup and Karen Menczer, supported by Mamuka Gvilava, local STTA.

At the request of USAID an Environmental Scoping Stakeholder Meeting for the Irrigation Rehabilitation component was held on November 18, 2011 at Multifunctional IDP Community Center of the Verkhvebi Settlement, Gori.

The ESS for Irrigation Rehabilitation Activities was drafted and submitted on November 15, 2011. It was approved by BEO on January 3, 2012.

The EA for Irrigation Rehabilitation Activities was submitted on December 28, 2011 and approved by BEO on March 15, 2012.

2.2.4 Design/Construction Management

The 17 month contract is with Mshenebeli 80 Ltd. Designs are being carried out by the Saktskalproekti Joint Stock Company (JSC) under a sub-contract. MDF mobilized their Design and Construction Management team that included two MDF staff and four staff from Ministry of Agriculture (MOA) Irrigation Company in May 2012. Zviad Parkadze was assigned as the MDF Project Manager. Otar Magalashvili was assigned as the Tt Irrigation Contract Manager, Vasil Apkhazava as the Tt QA/QC Engineer and Mamuka Shaorshadze as Tt EHS Specialist. Several work sessions on QA/QC for Site Supervisors were conducted including a formal workshop on Construction Supervision held at the Radisson Blu Iveria on 19 April, a pre-work session meeting on 1 June and again on 6 June. Construction management forms were prepared with assistance from Tt. Tt established its document control center for the contract on 1 June. USAID approved procurement of equipment for site-supervisors. Tt purchased equipment for MOA supervisors under the Tt budget (USD 2,500). MDF also purchased equipment for MDF supervisors using GMIP funds (USD 1,500).

Advanced payment was made to the contractor on 6 June. USAID, Tt, MDF, Mshenebeli 80 Ltd and CM official pre-work meeting was held on 13 June at the Radisson Blu Iveria. Pre-design meeting was held on 15 June at MDF. Mobilization plan, initial QC Plan, and preliminary schedule were submitted in June. Final Program and Schedule, Revised Mobilization Plan, Safety Plan together with Environmental Compliance, Final Quality Control Plan, 1st Monthly report, and initial sub-project submittal (25% design) for Phase I were submitted in July. The E,H&S training course was held on July 24. The 50% designs and Bill of Quantities (BOQ) for five sub-projects (8% of contract cost) were approved and construction permit for five sub-projects was issued in August. Phase II Designs/BOQs/Environmental Monitoring Plan (EMP) were submitted on September 25.

Canal closure was postponed until October 2012. Unexploded mines were found in the Saltvisi Main canal project area. Work was stopped on Saltvisi Main Canal due to safety issues on October 1. Progress as of 30 September 2012:

- **Tiriponi. Karbi Headwork.** Contractor has conducted works on overflow section, on the left and right sides of the dam and on service building.
- **Saltvisi. Bank protection of connecting canal from Saltvisi Headwork.** Works for retaining wall except for initial section (40 m) completed. Arrangement of the base for gabions at the final section of the wall is finished. Seepage from the Saltvisi gravity canal is an obstacle for completing construction works.

- **Saltvisi. Connecting canal from Main canal to G-2 and construction road from Dm0+00 to Dm 8+92.** Contractor is concreting the bed and slopes of the canal. Contractor has already started works on bulkhead and formwork at Dm 40+51.8. During excavation, 15 mines were uncovered.
- **Tiriponi. Cleaning canals from the bushes.** In order to conduct topographic surveys, contractor has started cutting of the bushes along the following distributary canals: G-1-1, G-1-2, G-2, G-3, G-3-1, G-3-1-6, Tiriponi main canal from Dm 164 to Dm 193.

2.3 Component 3: IDP Durable Housing Subcomponent I: Provide Water and Sanitation Upgrades for IDP Cottage Housing

2.3.1 Project Selection

Under the IDP durable housing component for cottage settlements USAID is committed to provide both water and sanitary upgrades to the cottage settlements where feasible and needed. The total USAID budget available for this component is USD 8,603,449. The current proposal assumes that USAID will fund external water supply improvements for nine communities, external drainage for seven communities, local cottage drainage for 10 communities, internal water supply hook-ups for 10 communities, shower and toilet systems for nine communities, and waste water treatments systems and collection systems for 10 communities. The final selection of the works to be carried out for the cottage settlements is still on going.

#	Location	House Holds	Persons	Water Supply	Drainage (external)	Drainage (per cottage)	WWTF	Inside water connection	Sewage system (network)	Shower & toilet	New bore holes
1	Akhalsopeli	100	350	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Repair of existing water collector well
2	Mokhishi	58	220	Yes		Yes	Yes	Yes	Yes	Yes	
3	Skra	86	312	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
4	Karaleti	480	1,644	Yes	Yes	Yes	No		Yes(repair)		
5	Berbuki	134	460	Yes		Yes	Yes	Yes	Yes	Yes	
6	Shavshevbi	177	586	Yes		Yes	Yes	Yes	Yes	Yes	Yes
7	Khurvaleti	139	460	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
8	Teliani	54	164		Yes	Yes	Yes	Yes	Yes	Yes	
9	Metekhi	35	128	Yes		Yes	Yes	Yes			
10	Tsilkani	400	1,093	Yes	Yes		Yes	Yes	Yes	Yes	
11	Frezeti	300	721		Yes	Yes	Yes	Yes	Yes	Yes	
		1,963	6,138	9	7	10	10	10	10	9	2

The final GEO Ltd deliverables that included the feasibility report and scoping statement on 11 of the cottage communities was reviewed and approved by Tt in January 2012.

Tt staff conducted site visits to each of the 14 cottage settlement communities to evaluate the feasibility report results prepared by GEO Ltd. The evaluation included an inventory of the availability of drinking and irrigation water, garbage disposal and sewerage systems.

At the request of USAID, Tt investigated different types of wastewater treatment options for the settlements. The study estimated initial costs, O&M costs, and area requirements for septic systems with infiltration field, aerated lagoons, and a package activated sludge system. A local firm, Geo Engineering, was contracted by Tt to conduct field investigations on ground water levels and infiltration rates. Hydrogeological and infiltration tests were conducted at nine of the cottage communities where sanitary upgrades are being proposed. The results confirmed that three of the cottage communities have water tables < 1 m and could not be used for a standard septic tank/infiltration system. The results also confirmed that water tables and infiltration rates at the remaining six cottages were appropriate for installing a standard septic tank/infiltration system fields. Cadastral review of ownership for the infiltration fields for the wastewater treatment (WWT) sites based on information from National Agency of Public Registry was completed in January. Tt also submitted (March 6) cadastral map/site location maps for the proposed infiltration systems to MDF to request allocation of land for construction of the infiltration fields.

Because of limited O&M funds it was decided to restrict the wastewater treatment options to on-site treatment using a standard septic tank/infiltration system. Because of high water tables (depth to water table < 1 m) two of the cottage communities were excluded. Tt prepared and submitted to MDF designs and BOQs for the septic tanks and infiltration fields. Response letters received from MDF in May 2012 from municipalities were negative on providing land for infiltration fields. To resolve this Tt carried out an “Alternatives Study” to determine the most appropriate sanitation/wastewater treatment technology to be used for the cottage settlements. Tt staff visited four Biotal package plant sites (activated sludge technology): Tsinamdzghvriantkari Village (100m³/day), Didi Lilo (40m³/day), and two sites near Gori (10 & 20 m³/day). Water quality tests of the treatment plants were conducted by Scientific Research Firm GAMMA. Results indicated that Biotal performed as designed. Jim Gallup, Expat Water Supply/Waste Water Engineer, conducted a STTA assignment in June to work on the study. Alternatives considered included:

- Septic Tank and Infiltration Drain Field Treatment
- Oxidation Pond Wastewater Treatment
- Aerated Lagoon Treatment
- Latrines
- Activated Sludge Treatment

At the request of USAID Tt reviewed options for layout of toilet/shower facilities and solar water heaters. It was recommended that solar heaters be supplied. Tt evaluated but did not recommend the use of rain harvesting using runoff from the cottage rooftops for use in the garden plots surrounding the cottages. The limited rainfall during the irrigation season does not make this an economically viable substitute for using the domestic water supply.

USAID agreed to use GMIP funds to provide external water supply and drainage improvements based on designs prepared under a World Bank/European Union funded contract with HOLINGER International Consultants (Switzerland). Tt reviewed the Holinger Water Supply

design procedures. Water quality tests (nine settlements/16 tests) were conducted. One settlement, Shavshevbi, was found to have high nitrate concentrations ($\text{NH}_3 > 105 \text{ mg/l}$) in their water supply source. MDF is exploring possible alternative mitigation measures and/or water sources for Shavshevbi. It was agreed with MDF (10 May) that the water supply component will be bid as a construction contract.

Tt also continued to investigate options for providing drainage. Although it was agreed that the surface drainage channels would not be lined, USAID was concerned about culverts at entrance to cottage driveways. Recommendations with options were sent to MDF (June 12).

Tt staff (James Hayden, Givi Varduashvili, Teimuraz Levanishvili) also assessed the mold issue prevalent in many of the cottages. A short note was prepared and sent to USAID (25 June) with a number of low cost recommendations including procedures for cleaning of mold, providing vents, improved plastering methods, and improved drainage.

2.3.2 Procurement

Separate contracts will be implemented for construction for the water supply works and a design-bid-build for the drainage, household water supply hookups, and the sanitary upgrades. Total costs are estimated at USD 8,067,836.

Subproject Name	Updated Cost ¹ for Approved Projects: Oct 2012 (USD)	Status
Cottage Settlements		
Improvement of potable water supply 9 villages of IDPs	703,828	Construction, Under Procurement IFB announced
Improvement of Drainage (6 communities), internal water supply hook-ups (10 communities), Sanitary Upgrades in 9 villages of IDPs	6,658,291	Design-Bid-Build Procurement documents for consulting services for design under preparation
Total	7,362,119	

Note: ¹ Includes design, construction supervision, construction costs

1. Construction Contract for Rehabilitation of Water Supply Systems for 9 IDP Cottage Settlements (Gori, Kareli, Kaspi and Mtskheta Districts) ICB No: USAID/CW/ICB/05-2012

The designs prepared by HOLINGER International Consultants (Switzerland) are being used for the construction procurement. The bid documents were prepared by MDF and reviewed by Tt. Parts I Bidding Procedures and Part 3 Conditions of Contract and Contract Forms of the bid documents were submitted to USAID for review on September 30, 2012.

2. Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Improvement of Drainage (6 communities), internal water supply hook-ups (10 communities), Sanitary Upgrades in 9 villages of IDPs (Gori, Kareli, Kaspi and Mtskheta Municipalities)

The draft RFP and related TOR are currently under preparation by Tt. MDF provided the template.

2.3.3 Environmental

The initial draft PEA for IDP Durable Housing including the cottage communities prepared by Tt was submitted on August 28, 2011. After receiving questions and comments from USAID on November 17, the final response to all USAID/BEO comments was submitted on November 23, 2011. The PEA was approved in February, 2012.

Because of the addition of the water supply and drainage components USAID requested that the PEA be revised to address these proposed works. The revised draft PEA for IDP Durable Housing including consideration of the water supply option for the cottage communities prepared by Tt was submitted on March 31, 2012. The updated PEA to include consideration of water supply and drainage improvements for IDP cottage settlements was approved by BEO on 19 April 2012.

2.4 Component 3 IDP Durable Housing Subcomponent 2: Provide Durable Housing Solutions for IDPs

2.4.1 Project Selection

Under the IDP durable housing component ten (10) unoccupied buildings, eight (8) hospitals and 28 collective centers have been selected for rehabilitation. The selection process for other potential buildings to be rehabilitated is ongoing. The possibility of constructing new apartment buildings is also being considered per GoG request. The works are being implemented under different types of DB and design-bid-build contracts. Total costs available for this component at this time are USD 25,855,374.

USAID is considering construction of new buildings for IDP housing with the remaining funds. A concept study was carried out in May 2012 by Tt. It recommended that the works be implemented as design-bid-build. The design contract could start as early as November 2012 and be completed in April 2013 with a proposed duration of five months. Assuming a two month period for bid preparation and contractor selection, the contract for construction is expected to be an eight month contract that could begin in June 2013 and be completed in February 2014. There will also be a contract for construction management that will run the duration of the construction program. The estimated cost for the three procurements for a single building is USD 950,000. The number of buildings constructed will depend on the funds available.

The status of the buildings selected for rehabilitation is listed below:

Building Type	Buildings		Apartments		Total Cost		Cost/ apartment	Total Building Area	Cost/m ²
	#	%	#	%	USD	%	USD	m ²	USD
Collective centers ¹	28	61	973	46	10,776,242	45	11,075	49,702	217
Unoccupied buildings ²	10	22	348	16	4,757,422	20	13,671	18,220	261
Empty Hospitals ³	8	17	813	38	8,617,870	36	10,594	37,469	230
Total	46	100	2,134	100	24,151,533	100		105,391	

Note: 1- Feasibility Cost (GEO LTD) without external works; 2- Tender Cost (Mshenebeli 80 Ltd); 3-USD 230/m2 without external works

The selection process for identifying potential buildings to be rehabilitated involved an extensive review and evaluation process. It involved assessment of over 205 buildings and more than 36 hospitals.

Criteria used to select buildings for rehabilitation included structural stability, rehabilitation cost, potential for connection to a central sewage and water supply system, government ownership, and other considerations such as potential for IDP employment in the surrounding community and numbers of IDP households requiring durable housing in an area within proximity of the buildings to be rehabilitated.

Out of 205 buildings originally identified for rehabilitation, MRA rejected 22 buildings. GEO Ltd (MDF contractor) as part of their feasibility study, finalized in January 2012, rejected 64 buildings for structural reasons. Out of the remaining 119, based on costs and site preference MRA selected 93 buildings for rehabilitation. Tt staff conducted site visits and prepared an inventory on each of the 93 buildings to verify the results of the GEO Ltd technical feasibility study. Among the items inspected/inventoried and information collected were availability of external water supply, gas and electricity; number of floors; structural condition of the buildings; types of roofing; number of IDPs or non IDPs living in the selected buildings; global positioning system building coordinates; photos, etc. The list of 93 buildings was further reduced to 36 buildings after sites visits and review by Tt (12 unoccupied and 24 occupied collective centers).

Information provided by GUWC indicated central water and/or sewerage connection were not available for 26 buildings (one building out of 26 also had legal issue and was rejected as a result of cadastral research). The cadastral inventory through the National Agency of Public Registry was also conducted by Tt to verify ownership status of each of the buildings. Cadastral research revealed 19 buildings which were privatized. Based on Tt site visits 13 sites were rejected as structurally unsound.

To replace the buildings removed from the original list (93 buildings), MRA in November 2011 provided a list of 36 hospitals for consideration for rehabilitation as IDP housing. Of these MRA rejected four and MDF rejected nine. Tt rejected 15. MDF identified 26 that were structurally

stable. After review, because of IDP resettlement issues, MRA recommended that eight of the hospitals be considered for rehabilitation.

MRA has continued to propose addition buildings/hospitals for rehabilitation: two occupied buildings in Tskaltubo, an unoccupied hospital in Tetri Tskharo, four additional buildings in Kutaisi (3) and Tskaltubo (1), and unoccupied Oni Medical center. The two occupied buildings in Tskaltubo have been accepted; the hospital in Tetri Tskharo was rejected; the Kutaisi (3) and Tskaltubo (1), and unoccupied Oni Medical center are currently with MRA for review.

For the first procurement package MRA agreed that only unoccupied buildings (12) should be rehabilitated. This was to allow additional study on procedures for temporarily resettling IDPs from the occupied Community Centers during construction. To confirm the status of these 12 buildings Tt staff revisited each of the sites. The results of the field inspection showed that three of the buildings were not structurally sound. An additional unoccupied building was identified from the original list of 93. Therefore the total number of unoccupied buildings selected for the first contract was set at ten (10). A Purchase Order (PO) was also signed with Intelligent Cadastre Group (Kutaisi) to conduct the cadastral survey of the buildings to confirm their ownership status. The cadastral survey showed all of the 10 buildings are owned by the Government. However five of the buildings were under lease and two were occupied by medical staff. Tt helped draft a letter that USAID sent to MRA. MRA in a response letter to USAID dated 24 March 2012 agreed to resolve all these issues before the signing of a construction contract. MRA provided a series of clearance letters regarding legal status of the 10 unoccupied buildings selected for rehabilitation as IDP housing.

Tt staff conducted site visits to all of the 34 collective centers (occupied buildings). Eight out of 34 buildings were found structurally unstable and not recommended for rehabilitation. A cadastral survey of the remaining 26 buildings conducted by Intelligent Cadastre Group Ltd showed that 20 buildings are owned by the Government, five buildings are not registered, and one is co-owned by the state and some unknown owner. Seven of the sites that are state owned are charged with obligations (tax lien/mortgage/right of use/ usufruct). One building is co-occupied by non-IDPs.

At the request of USAID, Tt conducted a Concept Study on New Buildings. The purpose of the study was to provide USAID and MRA with information on options for construction of new IDP housing. The study was conducted by Michael McGovern, Tt Expat Sr. Construction Manager /Engineer with assistance from Tt local and HO staff. USAID (Brad Carr), MRA (Valeri Kopaleishvili, Deputy Minister) and Tt staff conducted a field trip to Batumi, Poti, & Kutaisi to review new building sites (April 24-26). The Concept Study was submitted to USAID on June 1. The recommended site for the new construction was Kutaisi. The average cost per building was estimated at \$920,000/building (\$836/m²; \$28,758/apartment).

2.4.2 Procurement

The procurement phase is on-going. It began on 15 September 2011.

The status of the various IDP housing procurements is presented below.

#	Description	Type	Updated Cost ¹ Oct	Status
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			2012 (USD)	
	Component 3.2 (Building rehabilitation)			
1	Rehabilitation Works for IDP Houses IFB No. USAID/W/ICB/01-2011	Design-Build	4,757,422	Signed on 25 May 12/on-going
2	Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings RFP No.: USAID/C/QBS/01	Consulting Services (Design/Design Inspection)	430,894	Bids Open 31 Aug 12;RFPs under evaluation
3	Construction Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings	Consulting Services (Construction Management)	430,894	RFP Under preparation
4	Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings	Construction	8,617,870	To be prepared
5	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for Twenty-Eight (28) Buildings RFP No.: USAID/C/QBS/02	Consulting Services (Design/Design Inspection)	538,812	Bids Open 31 Aug 12;RFPs under evaluation
6	Construction Services for Rehabilitation Works for IDP Housing for Twenty-Eight (28) Buildings	Consulting Services (Construction Management)	538,812	To be prepared
7	Rehabilitation Works for IDP Housing Rehabilitation Works for IDP Housing for Twenty-Eight (28) Buildings	Construction	10,776,242	To be prepared
8	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for New Buildings for IDP Housing	Consulting Services (Design/Design Inspection)	45,716	RFP Under preparation
9	Construction Services for New Buildings for IDP Housing	Consulting Services (Construction Management)	45,716	To be prepared
10	New Buildings for IDP Housing Rehabilitation Works for IDP Housing	Construction	914,326	To be prepared
	Total		27,096,704	

1. Rehabilitation Works for IDP's Housing Contract No. USAID/W/IICB/01-2011 (10 Bldgs.)

The procurement of the Rehabilitation Works for IDP Housing (10 unoccupied buildings) was done as a DB contract. The total contract amount was GEL 7,849,746 (USD 4,757,422). Contract was signed on May 25. The contractor is Mshenebeli 80 Ltd. The expected completion date is 1 June 2013 or 12 months after start of the contract.

Per request of MRA, it was agreed that the initial tender would be for the 12 unoccupied buildings identified during the project selection phase. Bidding documents for the first lot of 12 unoccupied IDP buildings were prepared by MDF with major assistance from the Tt team. The results of a field inspection showed that three of the buildings were not structurally sound. An additional unoccupied building was identified from the original list of 93. Therefore the total number of unoccupied buildings selected for the first contract was set at ten (10). The documents went through a rigorous review and approval process by USAID. They were signed off by the Mission Director on December 29. MDF issued the advertisement for tender on January 3. A pre-bid meeting was held on January 18. The proposal opening date was February 10. Only one firm, Mshenebeli 80 Ltd, submitted a proposal. The MDF Evaluation Committee met on February 17 to evaluate the technical proposal. Mshenebeli 80 Ltd was determined as the "Lowest Evaluated Responsive Qualified Bidder" for award of the contract.

At the request of USAID, Tt prepared a due diligence report on the selected contractor Mshenebeli 80 Ltd. This was submitted to USAID in April. There were no findings that precluded the bid from being awarded. The contract was awarded on 1 May. The draft contract was sent to USAID on 16 May. MDF/MRA provided public registry clearance to clear 10 occupied buildings on May 24. The contract was approved by USAID and signed on May 25. USAID approval was received on the signed contract on 1 June. The contract was for GEL 7,849,746 (USD 4,757,422).

2. Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings

The procurement of the Rehabilitation Works for IDP Housing (8 Hospitals) is being done as a design-bid-build. The design contract is expected to begin in November 2012 and be completed in February 2013 with duration of four months. Assuming a two month period for bid preparation and contractor selection, the contract for construction is expected to be a 12 month contract that will begin in April 2013 and be completed in March 2014. There will also be a contract for construction management that will run the duration of the construction program. The estimated cost for the three procurements is estimated at USD 9,479,657.

a. Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings RFP No.: USAID/C/QBS/01

The draft TOR and Scope of Services for consulting services for design were prepared by MDF and reviewed by Tt. The EOI was approved by USAID. It was advertised on May 12 on MDF webpages. The initial deadline for submission of EOI was June 4. Reannouncement was published on June 22 on FBO and MDF webpages with a deadline for submission of EOI on July 05. Overall

nine firms expressed their interest. The MDF short-listed six firms which possessed relevant qualifications. The RFP and Short-list were cleared by USAID on July 19 and July 22 respectively. The RFP was issued to the short-listed firms on July 26. The initial proposal submission deadline was August 23. The proposals submission deadline was shifted to August 29. Three proposals were submitted. The evaluation committee comprised from seven members of MDF staff. Tt participated as observers. The method of selection was Quality Based Selection (QBS). Based on the scoring, the highest technical scores were received by Sheladia Associates Inc. (USA), with local Sub-Consultants: Artsutio Project Ltd (Georgia) and Akhali Sakkalakmshenproekti Ltd (Georgia). The financial proposal of the consultant was opened on 8 October by the Evaluation Committee after receiving clearance on the technical evaluation form from USAID on 5 October. As of 15 October the negotiations with Sheladia Associates were on-going.

b. Construction Management and Supervision Services for Rehabilitation Works for IDP Housing for Eight (8) Formal Hospital Buildings

The draft TOR and Scope of Services for consulting services for Construction Management and Supervision Services design were prepared by MDF and are currently under review Tt.

3. Rehabilitation Works for IDP Housing for IDP Housing for Twenty-Eight (28) Collective Centers RFP No.: USAID/C/QBS/02

The procurement of the Rehabilitation Works for IDP Housing (28 Collective Centers) is being done as a design-bid-build. The design contract is expected to begin in November 2012 and be completed in March 2013 with duration of five months. Assuming a two month period for bid preparation and contractor selection, the contract for construction is expected to be a 12 month contract that will begin in June 2013 and be completed in May 2014. There will also be a contract for construction management that will run the duration of the construction program. The estimated cost for the three procurements is estimated at USD 11,853,866.

a. Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for Twenty-Eight (28) Collective Centers RFP No.: USAID/C/QBS/02

The draft TOR and Scope of Services for consulting services for design were prepared by MDF and reviewed by Tt. The EOI was approved by USAID. It was advertised on May 12 on MDF webpages. The initial deadline for submission of EOI was June 4. Reannouncement was published on June 22 on FBO and MDF webpages with a deadline for submission of EOI on July 05. Overall eleven firms expressed their interest. The MDF short-listed six firms which possessed relevant qualifications. The RFP and Short-list were cleared by USAID on July 19 and July 22 respectively. The RFP was issued to the short-listed firms on July 26. The initial proposal submission deadline was August 23. The proposals submission deadline was shifted to August 29. Three proposals were submitted. The evaluation committee comprised from seven members of MDF staff. Tt participated as observers. The method of selection was QBS. Based on the scoring, the highest technical scores were received by Sheladia Associates Inc. (USA), with Sub-Consultants: Artsutio Project Ltd (Georgia) and Akhali Sakkalakmshenproekti Ltd (Georgia). The financial proposal of the consultant was opened on 8 October by the Evaluation Committee on after

receiving clearance on the technical evaluation form from USAID on 5 October. As of 15 October the negotiations with Sheladia Associates were on-going.

4. New Buildings for IDP Housing Rehabilitation Works for IDP Housing

The procurement of the new buildings for IDP housing will be done as a design-bid-build. The recommended site for the new construction is Kutaisi. The design contract is expected to begin in January 2013 and be completed in June 2013 with duration of five months. Assuming a two month period for bid preparation and contractor selection, the contract for construction is expected to be an eight month contract that would begin in August 2013 and be completed in April 2014. There will also be a contract for construction management that will run the duration of the construction program. The estimated cost for the procurements will depend on the funds remaining for new construction. The estimate for the three contracts (design, construction management, construction) if a single building is constructed would be about USD 1 Million.

a. Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for New Buildings for IDP Housing

The draft TOR and Scope of Services for consulting services for design was prepared Tt HO in September 2012.

2.4.3 Design/Construction Management

The status of the design/construction works follows:

1. Rehabilitation Works for IDP's Housing Contract No. USAID/W/ICB/01-2011(10 Bldgs.)

Avtandil Jakeli was assigned as the MDF Project Manager. Teimuraz Levanishvili (Housing Rehabilitation Manager) was assigned as the Tt Contract Manager. He is assisted by Koba Tsiramua (Regional Engineer Kutaisi) and Avtandil Baramia (Regional Construction Over-Site Engineer Kutaisi). Vasil Apkhazava was assigned as the Tt QA/QC Engineer.

Advance payment was made on June 1. A pre-work conference was held on June 5 at the Radisson Blu Iveria, Tbilisi. The purpose of the meeting was to specify Contractual Requirements and Obligations to be carried out by the employer and contractor. USAID, MDF, Mshenebeli 80 Ltd, and Tt participated. The Pre-Design meeting was held on June 7 at MDF. At the request of MDF, Tt sponsored an Environment, Health & Safety Training (EHS) on June 25. Mock-up training provided to MDF and contractor in Kutaisi from June 26 – July 12 by Jim Hayden (Tt Expat STTA Construction Engineer). Regular monthly meetings were held by MDF with the contractor in Kutaisi. Tt participated.

The contractor Mshenebeli 80 Ltd began mobilization in June 2012. Mobilization Plan, Initial QC Plan and Final QC Plan, and program schedule were submitted in June. Designs (50%) were submitted for three of 10 buildings in early July for the Region III Police building in Kutaisi, Tskaltubo Statistic Building, and Vani Vocational School. Construction preparation activities were started on the three building in early July; and Zestaphoni Central Hospitals (two

buildings), Terjola Hospital, Marneuli Former Kindergarten building, and Kareli Vocational school building in late July. Revised designs for the three buildings (Kutaisi, Tskaltubo, Vani) were received in August. Concurrence for starting construction in Kutaisi and Tskaltubo was given in mid-August. Construction preparation work was stopped at Zestaphoni Central Hospital (two buildings) pending removal of old hospital inventory to be arranged by MRA. Work on Vani, Marneuli and Kareli was stopped in mid-August pending the decision on who would fund external sewage connections for the buildings. Designs for Marneuli, Kareli and Terjola were received end of August. Focus group meetings to discuss design options were held with IDPs that will be occupying the rehabilitated buildings in Kutaisi, Tskaltubo, Vani and Terjola in September.

2.4.4 Environmental

The initial draft PEA prepared by Tt was submitted on August 28, 2011. After receiving questions and comments from USAID on November 17, 2011. The final response to all USAID/BEO comments was submitted on November 23, 2011. After MRA suggested the addition of the unoccupied hospitals for rehabilitation as IDP housing, USAID requested that the PEA be revised to consider the hospitals. The PEA was revised by Tt and submitted to USAID on February 6. The PEA was approved by BEO on March 1.

2.5 MDF Financial Review

USAID is implementing their agreement with MDF through two IL. Included in the ILs are the Cash Advance/Liquidation Policies and Procedures to be followed by MDF in receiving and liquidating advances. Under Tt's contract with USAID, Tt is responsible for the review and approval of all MDF advances and liquidation of these advances.

During the report period (Oct 2011 – September 2012) Tt reviewed and cleared advances #5 thru #17. For the period ending September 2012, a total of USD 2,515,915 or 4.80% of the total MDF budget of \$52,399,097 has been disbursed, USD 1,894,274 for IL 1 and USD 621,641 for IL 2.

2.6 Training/Workshops/Events

2.6.1 Special Events

Tt participated in several visits by dignitaries during the Year:

- Tt staff accompanied the USAID Mission Director on a visit to Oni Roads Project on May 17.
- Tt staff accompanied MRA Minister on visit to "Medical Center" of Bagdadi, Kakhiani Street #28, Imereti on June 29.

2.6.2 TrainNet

Tt completed and submitted the USAID TrainNet reports each quarter.

2.6.3 Procurement Integrity Course

A Procurement Integrity Course was carried out October 19- 20 at the Radisson Blu Iveria Hotel, Tbilisi, by David Casella (TtContracts and Legal Officer). Eka Gamezardashvili (USAID)

conducted one of the sessions. The goals of the course were to: i) understand and be able to describe procurement integrity rules and regulations that pertain to U.S. Government and World Bank purchasing; and ii) understand the procurement integrity and compliance considerations of procuring goods and services with USAID funding. There were 21 participants (including seven women). All the participants received Certificates of Achievement. A report was prepared.

2.6.4 Irrigation Project Inauguration

An inauguration of the Tiriponi-Saltvisi Irrigation Systems was held at a location along the Tiriponi Main Canal in the village of Kere, Gori district on December 1. The inauguration was attended by U. S. Ambassador to Georgia John Bass; Minister of Regional Development and Infrastructure, Ramaz Nikolaishvili; and Minister of Agriculture, Zaza Gorozia. The facilitation of the event was conducted by the Executive Director of MDF, Levan Chichinadze. Representatives from USAID included Brad Carr (COTR), Erica Rounsefell (Health & Social Development Office) and George Kokochashvili (Engineering Specialist). U.S. Ambassador as well as the GoG officials gave welcoming speeches and stressed the importance of the project and its potential for improving agriculture and the livelihoods of the people in the region. The local community was well represented. The event was broadcast on Georgian television.

2.6.5 Procurement Integrity Awareness Presentation

A Procurement Integrity Awareness Presentation was carried out on February 6 at MDF for MDF officials by Sergo Gviniashvilia (Tt STTA Financial Specialist). The goals of the presentation were to: i) understand and be able to describe procurement integrity rules and regulations that pertain to U.S. Government and World Bank purchasing; and ii) understand the procurement integrity and compliance considerations of procuring goods and services with USAID funding. The MDF Tender Evaluation Committee (TEC) members attended. All signed and certified their agreement and compliance with the requirements of the integrity principles that prevent organizational and personal conflict of interests.

2.6.6 USACE Training

US Army Corp of Engineer Caucasus Resident Office conducted a two day training on Construction Quality Management for contractors on January 25 -26 at US Embassy, Tbilisi, Georgia. Five Tt and one MDF staff attended:

1. Kartlos Gviniashvili (MDF)
2. Ilia Eloshvili (Tt)
3. Givi Varduashvili (Tt)
4. Vasil Apkhazava (Tt)
5. Mamuka Shaorshadze (Tt)
6. Koba Tsiramua (Tt)

2.6.7 Construction Management (CM) Support Workshop

A CM Support Workshop was carried out in March at the Radisson Blu Iveria Hotel, Tbilisi, by Mike McGovern (Tt STTA Project Management Engineer). The goals of the course were to: i) present relevant Infrastructure Project Management Concepts, CM principles and points of emphasis related to GMIP; ii) present Tt CM oversight responsibilities and proposed procedures to manage oversight; iii) present perceived MDF GMIP CM program needs and proposed

alternative approaches to supplement MDF CM Implementation; iv) suggest process improvements to the overall GMIP CM program for MDF, Tt, USAID, contractors and owners; v) agree upon any follow meetings and work necessary to finalize GMIP CM program modalities. There were 28 participants (including one woman).

2.6.8 Road Procurement Outreach Event

A procurement outreach event on roads was held at Radisson Blu Iveria, Tbilisi on April 23, 2012. The purpose of the event was to provide information, increase awareness and encourage competition for potential upcoming bid participants on the GMIP road projects. Nine firms attended: Tsekuri Ltd, Mshenebeli 80 Ltd, BSG, Watkinson LLC, Iberia Tech, Ltd, Serpantini, Ltd, Eptisa, New Energy, and Akkord Georgia.

2.6.9 MDF GMIP Construction Daily Site Inspection Workshop

A Construction Daily Site Inspection Workshop was held at Radisson Blu Iveria, Tbilisi on 17 April. The purpose of the workshop was to present to MDF and Ministry of Agriculture key CM staff the need for and benefits of overall full time on-site inspection generally and also in outlining the elements of the inspector's job duties. There were 14 key sessions. The workshop was presented by Mike McGovern, Tt Expat Sr. Construction Manager /Engineer. There were 31 participants (one female) to include USAID (2), MDF (9), MOA (5) and Tt (15).

2.6.10 Environmental Compliance and Sustainability Training

MDF (1) and Tt staff (2) attended Environmental Compliance and Sustainability Procedures for USAID A/CORs and Implementers held at USAID on May 23.

2.6.11 Pre-Work Meeting for Rehabilitation Works for IDP's Housing Contract (10 Buildings)

A Pre-work Conference was held for the for the 10 IDP buildings contract on June 5 at Radisson Blu Iveria, Tbilisi. The purpose of the meeting was to specifying contractual requirements and obligations to be carried out by Employer and Contractor in IDP Building Rehabilitation Project (Building 10). There were 33 participants (three females) including USAID (4); MDF (11), Mshenebeli 80 Ltd (6), and Tt (13).

2.6.12 Pre-Work Meeting for Rehabilitation Works (Irrigation Contract)

A Pre-work Conference was held for the Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems Contract on June 13 at Radisson Blu Iveria, Tbilisi. The purpose of the meeting was to specifying contractual requirements and obligations to be carried out by employer and contractor in the Irrigation Rehabilitation Project. There were 29 participants (four females) including USAID (3); MDF (4), Mshenebeli 80 Ltd (9), Melioration Company of Georgia (2) and Tt (11).

2.6.13 Environment & Social and Health & Safety Training (10 Building Contract)

E, H&S was held for MDF and Mshenebeli 80 Ltd staff on June 25 at the Holiday Inn, Tbilisi. The purpose of the training was to provide awareness and instructions on critical E, H&S procedures to be followed during the construction process. There were 28 persons attending (one female) including staff from USAID (2), MDF (5), Mshenebeli 80 Ltd (13), and Tt (8). The workshop was

organized by Mamuka Gvilava, Tt's Environmental Consultant, and Mamuka Shaorshadze, Tt's Environmental, Health & Safety Specialist.

2.6.14 Procurement Integrity Awareness Presentation

A follow-up Procurement Integrity Awareness Presentation was carried out on 14 September at MDF for MDF evaluation committee members by Irakli Kakulia (Tt Legal Specialist). The goals of the presentation were to: i) understand and be able to describe procurement integrity rules and regulations that pertain to U.S. Government and World Bank purchasing; and ii) understand the procurement integrity and compliance considerations of procuring goods and services with USAID funding. The new MDF TEC members attended. All signed and certified their agreement and compliance with the requirements of the integrity principles that prevent organizational and personal conflict of interests.

2.7 Project Management/Coordination

2.7.1 General

Tt staff have daily communications with USAID (Brad Carr, COTR and George Kokochashvili, Engineering Specialist) and MDF (Kartlos Gviniashvili, Program Manager). Gocha Lobzhanidze (USAID) has joined the USAID team and actively participated in GMIP construction management and oversight activities. Tt also participated in the regular weekly USAID/MDF coordination meetings held two times a week alternately at MDF and Tt offices.

2.7.2 Coordination with Other Donors and Technical Assistance Activities

Tt staff participated in the following meetings/field trips during the reporting year:

- A USAID/Tt meeting was held on November 17 at USAID to discuss procurement procedures for preparing the bid documents for rehabilitation of IDP Housing and Irrigation. USAID staff attending the meeting included Jonathan Chappell (Regional Contract Officer), Maya Chelidze (Acquisition Specialist), Brad Carr (COR) and George Kokochashvili (Engineer). Tt staff attending included Jeff Fredericks (Chief of Party (COP), Iliia Elishvili (DCOP), Jim Hayden (STTA), and Mark Jensen (STTA). Zurab Baratashvili participated from MDF.
- COP and DCOP attended the USAID Partners Meeting held on October 10 at USAID.
- COP and DCOP attended the USAID EG/DG Partners' meeting held at USAID on November 30.
- Tt staff attended the International User Conference on Geoinformation Systems & Remote Sensing held at the Courtyard Marriott on November 16.
- COP attended the Ambassador Reception for USAID Mission Director at the Ambassador's Residence on November 29.
- A meeting was held on December 6 with NEO Project at their offices to get a briefing on their current activities.
- Tt attended a meeting held on January 12 with NEO Project at their offices to get a briefing on NEO's progress in IDP housing association component. A follow-up meeting was held on February 27 with Tt to discuss NEO's role in forming community groups for the cottage settlements
- Tt COP met with Werner Johannides ,Organization for Security and Co-operation in Europe (OSCE), on January 18 to discuss Shida Kartli irrigation activities.

- A USAID/Tt/MDF meeting was held on January 25 at USAID to discuss procurement procedures for preparing the bid documents for irrigation rehabilitation. USAID staff attending the meeting included Jonathan Chappell (Regional Contract Officer), Peter Young (Regional Legal Officer), Brad Carr (COR) and George Kokochashvili (Engineer). Tetra Tech staff attending included Jeff Fredericks (COP) and Ilia Eloshvili (DCOP). Zurab Baratashvili participated from MDF.
- COP attended the USAID Partners Meeting held on February 29.
- COP attended the Ambassador Reception for Ambassador David Robinson, Acting Assistant Secretary, Bureau of Population, Refugees, and Migration at the Ambassador's Residence on March 6.
- Tt Staff (Mike McGovern, Jeff Fredericks, Ilia Eloshvili, Teimuraz Levanishvili) attended a seminar sponsored by Ministry of Economy and Sustainable Development of Georgia on "Development of Georgian Construction Norms: an American and European Perspective, Ministry of Economy and Sustainable Development of Georgia" held at Marriott Courtyard Hotel, Tbilisi, on March 21.
- Tt Expat Sr. Construction Manager/Engineer (Mike McGovern) debriefed on Gap Analysis with MDF on April 11 and USAID on Apr 12.
- Tt staff met with USAID, MRA, and MDF to discuss cadastral status of buildings proposed for IDP Housing at MRA on 18 April.
- Tt staff (Givi Varduashvili, Senior Civil Engineer) attended NEO Project Tenant Association Meetings held in the cottage settlements of Khurvaleti (Apr 20) and Berbuki (Apr 25).
- Tt Environmental consultant (Mamuka Gvilava) met with NEO to discuss EA requirements for their river protection works on May 4.
- COP and DCOP attended the USAID Partners Meeting held on May 23.
- Tt environmental and engineering personnel accompanied USAID staff, William Gibson (BEO), Jeffrey Ploetz (USAID E&E/EG), and Marian Ubilava (Mission Environmental Officer/PMS/E&E) on 24 May to Khurvaleti IDP Settlement and Gorijvari Road Site.
- Tt staff accompanied Brad Carr (USAID) and Caroline Stanford (Project Manager-EU) on a visit to IDP Cottage Settlements: Berbuki, Shavshvebi, and Khurvaleti on June 4.
- DCOP (Ilia Eloshvili) participated in meetings held with USAID and NEO (June 15) & MRA (June 21) to discuss settlement and resettlement issues for IDP Durable Housing Building rehabilitation.
- DCOP (Ilia Eloshvili) attended NEO Local Government Capacity Building Training on Home Owner Association/TA issues held in Chakvi (June 27 to 29)
- Meeting with NEO to discuss training of IDPs to support maintenance of Collective Center (CC) & cottage settlements (July 24)
- Participated in IDP training development program arranged by MRA and NEO at Kutaisi vocational School (August 9)

2.8 Quality Assurance/Quality Control

During the reporting period the following QA/QC activities were conducted:

- Tt prepared and presented the Project Governance and Management Plan outline for GMIP to USAID and MDF in October 2011. Based on the presentation MDF prepared their framework for Construction Supervision.

- Tt staff prepared guidelines for establishing a DCC. A server was installed and a share site was opened.
- Firouz Rooyani (Tt A&E IQC Program Manager), visited Georgia to meet with COR in January, 2012.
- Tt HO conducted quarterly project evaluation and estimation at completion (PEEAC) reviews.
- With USAID approval, Tt ordered the following Personal Protection Equipment (PPE) safety items for each of its staff: safety helmet (hard hat), eye protection glasses, safety vest, work waistcoat, safety reflective jacket, and safety boots
- The Project Document Control Procedures were prepared and Tt and MDF staff were trained on its use.
- Mike McGovern, P.E., Expat Sr. Construction Manager /Engineer, carried out a STTA assignment (March 1 to May 14) to provide technical support to review alternatives and provide recommendations for Construction Management Supervision under GMIP.
- Jim Hayden, Tt Expat Construction Engineer, began a STTA assignment (June 16 to July 18) to provide QA/QC support and oversight to provide technical support to assist in QA/QC for Component 3 Subcomponent 2: Provide Durable Housing Solutions for IDPs from 1990s Conflict.
- Tt (Mike McGovern) prepared and submitted to USAID in May a Gap Analysis in GMIP Construction Management Practices.
- Tt (Mike McGovern) prepared and submitted to USAID a “Construction Management Guidelines and Quality Assurance/Quality Control Plan”. The document was translated and distributed to MDF.
- A set of GMIP Technical QA/QC Guidelines for Contractors / Sub-Contractors was prepared.
- Tt (Mike McGovern) prepared and submitted a Safety Plan submitted to USAID.
- QA/QC training was provided to MDF building, irrigation, and road site supervisors.

2.9 Branding Implementation Plan and Marking Plan

During the reporting period the following branding and marking activities were conducted:

- A project fact sheet was prepared by Tt.
- Photos were taken at all pre-bid, site visits, and bid openings for use in preparation of future success stories.
- Photos are taken on all site visits.
- Tt assisted MDF and USAID in review of all construction signage.

2.10 Reports and Deliverables

The following reports and deliverables were submitted during the year:

#	Reports and Deliverables October 2011 – September 2012	Date
	October 2011 – December 2011	
1	Weekly Status Reports	Weekly
2	SSECP Oni Roads Project	Oct 2
3	SSECP Dusheti Flood Protection	Oct 2
4	Cottage Site Visit Report (Ivane Manjgaladze, Giorgi Avsajanishvili)	Oct 11
5	Site Visit Report Internal Water Supply for the Kombinat settlement in Gori	Oct 12

#	Reports and Deliverables October 2011 – September 2012	Date
	(Teimuraz Levanishvili)	
6	Annual Report for Year 1 (May - Sep 2011)	Nov 10
7	Procurement Integrity Training Report Oct 19 - 20, 2011 (David Casella)	Nov 13
8	Component 2 Irrigation Scoping Statement	Nov 15
9	GMIP Fact Sheet	Nov 16
10	PEA for IDP Durable Housing Activity (Final)	Nov 21
11	Component 1 Municipal Infrastructure Roads Scoping Statement	Nov 23
12	Annual Work Plan (FY 2011/12)	Nov 27
13	Assignment report Oct 20 - Nov 25, 2011 (James Hayden)	Nov 30
14	Component 2 Irrigation Environmental Stakeholder Meeting Nov 18, 2011 (Mamuka Gvilava)	Dec 4
15	Assignment Report Oct 10 - Nov 25 (Mark Jensen)	Dec 7
16	Report on Septic Waste Water Treatment Systems for the Cottage Communities (Mark Jensen)	Dec 7
17	Site Visit Report on 12 Buildings in the First IDP Housing Procurement (Teimuraz Levanishvili, Mamuka Shaorhadze)	Dec 13
18	Procurement Documents for Rehabilitation Works for IDP Housing ICB No: USAID/W/ICB/01-2011	Dec 15
19	Roads Site Visit Reports: Oni, Gori, Dusheti, Mtskheta, Kareli (Teimuraz Levanishvili, Mamuka Shaorshadze, Giorgi Bichiashvili)	Dec 23
20	Assignment Report Dec 1-17, 2011 (Jim Gallup)	Dec 23
21	Site Visit Report to 9 Hospital buildings (Teimuraz Levanishvili, Mamuka Shaorhadze, Givi Varduashvili)	Dec 28
22	EA for Component 2: Irrigation (Draft Report)	Dec 29
	January – March 2012	
1	Weekly Status Reports	Weekly
2	Trip Assignment Report Nov 11 James	Jan 9
3	Quarterly Report Yr 2 (Oct - Dec 2011) Final	Jan 10
4	MDF Approval Letter GEO Ltd	Jan 10
5	MDF Approval Letter Kavgioprotrans-mg LTD	Jan 10
6	TrainNet Report	Jan 13
7	Hospital Assessment Report	Jan 23
8	Review of the Hollinger design for Shavshvebi Settlement water network	Jan 25
9	Minutes of meeting (28 Jan 12) with Firouz Rooyani (A&E IQC Program Manager)	Jan 30
10	Procurement Documents Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems ICB No: USAID/W/ICB/02-2012	Jan 31
11	Revised Quarterly Report Yr 2 (Oct - Dec 2011) Final	Feb 2
12	Minutes of Meeting Rehabilitation Works for IDP Housing Tech Proposal review	Feb 15
13	Review Gorijsvari road rehabilitation design	Feb 16
14	Revised EA for Irrigation Rehabilitation Activities (Draft)	Feb 20
15	Mshenebeli-80 LTD – BID Technical clarification	Feb 21
16	Environmental Inspection Report of medical facilities in Terjola (February 18, 2012)	Feb 21
17	Revised PEA for IDP Durable Housing Activity with Hospitals	Feb 22
18	Draft MRA Letter on Status of Lot #1 10 Buildings with cadastral report	Feb 23
19	EA for Municipal Road Rehabilitation (Draft)	Feb 25
20	Site Visit Report 34 Buildings	Mar 2
21	Memo on Cottage Settlements infiltration field requirements	Mar 2
22	Memo on Cottage Settlement surface drainage	Mar 2

#	Reports and Deliverables October 2011 – September 2012	Date
23	Environmental Site Visit Report for proposed Gorijvari road and Gori riverbank protection sites (March 09, 2012)	Mar 12
24	Design Review of the "Rehabilitation of Internal Water Supply and Installation of Water Meters in Gori"	Mar 12
25	Draft MRA Letter on Status of Hospitals with cadastral report	Mar 12
26	Accrued expenses for the period Jan - Mar, 2012	Mar 14
27	Benefit Costs Analysis for Gorijvari Road	Mar 16
28	Annual Work Plan (FY 2011/12) to include the Performance Monitoring Plan	Mar 16
29	Approval Letter on Rehabilitation Works for IDP's Housing Contract No. USAID/W/ICB/01-2011 Evaluation Report	Mar 19
30	Project selection for Component I – Rehabilitation of Municipal Infrastructure (Draft)	Mar 27
31	GMIP Procurement Integrity Summary Report	Mar 30
32	ESS for Component I Flood/River Bank Protection Activities	Mar 31
33	PEA for IDP Durable Housing: water supply & drainage for cottage settlements	Mar 31
	April – June 2012	
1	Weekly Status Reports	Weekly
2	GMIP Component I Municipal Infrastructure Flood Protection SS (Draft)	Apr 2
3	GMIP Procurement Integrity Summary Report	Apr 2
4	GMIP Due Diligence Report Construction Contractor Mshenebeli 80 Ltd	Apr 2
5	Draft MRA Letter on Status of Collective Centers (Occupied buildings)	Apr 2
6	Site Visit Report (Tkibuli – Imereti Region) more idle buildings for rehabilitation	Apr 3
7	Quarterly Report - Qtr Yr 2 (January - March 2012)	Apr 10
8	PEA for IDP Durable Housing Activity (Water Supply & Drainage for Cottage Settlements)	Apr 10
9	Evaluation of proposal for ICB No: USAID/W/ICB/02-2012: Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems	Apr 15
10	Gap Analysis in GMIP Construction Management Practices	Apr 18
11	MDF Financial Summary	Apr 23
12	Workshop Report on MDF GMIP Procurement Outreach Event (23 April 12)	May 2
13	Bid Evaluation Report for Irrigation	May 3
14	Project Selection Report for Component I – Rehabilitation of Municipal Infrastructure	May 3
15	Report on Construction Management Support Workshop (19 March, 2012)	May 5
16	Report on MDF GMIP Construction Daily Site Inspection Workshop (17 April, 2012)	May 5
17	Expression of Interest for Consulting Services (preparation Detailed Engineering Design and providing Design Construction Support Services for the rehabilitation works for the eight former hospital buildings)	May 6
18	Health and Safety Plan	May 10
19	PEA Water Supply Revision	May 10
20	Revised Quarterly Report (Qtr Yr 2, January-March, 2012)	May 11
21	Trip Report (McGovern Assignment Report)	May 14
22	EOI English IDP's Housing Design 28 (Expression of Interest for Consulting Services)	May 16
23	Contract for Rehabilitation Works for IDP Housing USAIDWICB01-2011	May 16
24	Site Visit Report (Kvemo Kartli Region, Tetritskharo)	May 16
25	Scope of Work of Irrigation Survey - Performance Monitoring Plan	May 16
26	Irrigation Contract Draft - USAID-W-ICB-02-2012	May 17

#	Reports and Deliverables October 2011 – September 2012	Date
27	Door Sign for approval	May 18
28	Revised Gap Analysis	May 20
29	EOI English Dusheti River Bank Protection	May 22
30	Construction Management Guidelines and QA/QC Plan	May 25
31	Contract for 10 Buildings – USAID/W/ICB/01-2011 (5.25.12)	May 25
32	Bidding Document for Roads (Lot 1,2,3)	May 29
33	Memo on Phone call with BEO (5.24.12)	May 29
34	Cottage Nitrate Issue Memo	May 30
35	Revised Gap Analysis	May 31
36	Site Visit Report of Pushkin St. (Gori)	June 1
37	Rehabilitation of Gorijvari Access Road – Option II Profile Revision	June 1
38	Concept Study – A Proposed USAID Funded New IDP Housing Subproject	June 1
39	Letter Cottage Yard Entry Culverts	June 1
40	IFB for the Roads Tender	June 6
41	Memorandum of Pre-Work Meeting – Building 10	June 12
42	Trip Report Biotall WWT Facility	June 12
43	New Building Concept study - (Draft - Tt revised)	June 14
44	GMIP Component I Municipal Infrastructure Flood Protection Environmental Scoping Statement	June 15
45	GMIP Financial Summary #13	June 16
46	EA Roads Addendum for Gorijvari & Pushkin St.	June 17
47	New Building Concept Study revised	June 17
48	MOA Construction Management Support Costs	June 18
49	Accrued expenses for the period Apr - Jun 2012	June 18
50	Concept Study – A Proposed USAID Funded New IDP Housing Subproject (Draft – 22 May, 2012)	June 19
51	EOIs designs for: Dusheti Gorge Flood Protection in Dusheti Town; IDP Housing for Eight (8) Former Hospital Buildings; IDP Housing for Twenty-Eight (28) Buildings	June 21
52	EAAddendum for Roads	June 22
53	Concept Study - A Proposed USAID Funded New IDP Housing Subproject (22 May, 2012)	June 22
54	Initial Environmental Examination Amendment for Gori Internal Water Supply	June 24
55	Cottage Settlement Mold Assessment (Cottage settlement site visit report)	June 25
56	Revised GMIP Component I Municipal Infrastructure Flood Protection SS	June 25
57	TrainNet Report	June 25
July – September 2012		
1.	Review of Design and Supervision Costs for 8 hospitals & 28 CC	July 3
2.	Review of Bidding Documents for Gori Water Supply (WS)	July 4
3.	Site Visit Report conducted in Kutaisi & Tskaltubo	July 6
4.	Site Visit Report conducted in Oni Medical Center	July 6
5.	Review of MDF Draft Semi-Annual Report (Nov 2011- Apr 2012)	July 6
6.	Tt Quarterly Report for Apr – Jun, 2012	July 11
7.	Review of RFP and TOR for Eight (8) Formal Hospital Buildings (USAID/C/QBS/01) and for Twenty-Eight (28) Buildings (USAID/C/QBS/02)	July 12
8.	Review of Bidding Documents for rehabilitation of internal roads in town Oni	July 14
9.	Trip assignment report for cottage settlements prepared by Jim Gallup (June 21- July 7)	July 15
10.	Review of Amendment #1 of Contract (USAID/W/ICB/01-2011)	July 18

#	Reports and Deliverables October 2011 – September 2012	Date
11.	Workshop Report by Tt on the Environmental, Health, and Safety Training (June 25, 2012)	July 18
12.	Review of MDF Evaluation Report for the Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection: 8 Hospitals, 28 Buildings, Dusheti Flood Protection	July 19
13.	Review of RFP and TOR for Twenty-Eight (28) Buildings (USAID/C/QBS/02)	July 19
14.	Review of Amendment to the Employment Contract (#MDF/108/10 of August 1, 2011)	July 19
15.	Evaluation of BSG Memorandum (Lots 1 & 3)	July 19
16.	Preliminary Report on Recommended Wastewater Treatment for IDP Cottage Settlements	July 20
17.	Review of RFPs & TORs for 8 Hospitals and 28 Buildings	July 21
18.	Trip assignment report (by Jim Hayden - June 16 - July 19) for IDP Housing Rehabilitation Project	July 23
19.	Cost Estimates for the Cottage Settlements	July 25
20.	Memorandum for Cadastral Status of the 8 Hospitals, 28 Buildings, 10 Buildings	July 26
21.	Procurement Timeline for Roads Rehabilitation Project	July 26
22.	Draft Report on Recommended Wastewater Treatment for IDP Cottage Settlements	July 27
23.	Review of Bid Evaluation Report for Roads Rehabilitation Project	July 30
24.	Review of Evaluation Report for the procurement of details of procured goods (laptops & equipment)	July 31
25.	Workshop Report by Tt on the Environmental, Health, and Safety Training for Irrigation Project	Aug 8
26.	Arnabi 21 Ltd Bid Evaluation Memorandum (Lot 2)	Aug 10
27.	Due Diligence Memorandum on BSG	Aug 12
28.	Addendum to RFPs for 8 Hospitals & 28 Buildings	Aug 16
29.	Arnabi 21 Ltd Bid Clarification Bid Evaluation Report for Rehabilitation of Internal Roads in Town Oni Arnabi 21 Ltd Bid Evaluation Memorandum	Aug 17
30.	Addendum to the EA for Municipal Road Rehabilitation Responses to BEO Comments on EA Addendum for Gorijvari Road and Pushkin Street	Aug 18
31.	Review of Bid Evaluation Report (Lot 2)	Aug 23
32.	Review of Bid Evaluation Report (Lot 1, 2 & 3)	Aug 23
33.	Review of Bidding Document for Rehabilitation works in Town Gori, "Kombinati Residence" (USAID/CW/ICB/04-2012)	Aug 24
34.	Review of Draft Contract (USAID/W/ICB/03-2012) for Roads Rehabilitation Project Gorijvari Drawing, Pushkin St. Drawings, BoQs, and Attachments to Contract	Aug 24
35.	Review of IFB for Gori water supply/metering sub-project (IFB No. USAID/W/ICB/04-2012)	Aug 24
36.	Due Diligence Memorandum on Arnabi 21 Ltd for the Oni Roads project	Aug 24
37.	ESS for Oni Water Supply	Aug 30
38.	Review of Bid Evaluation Report for Rehabilitation of Internal Roads in Town Oni	Sep 3
39.	Review of Bidding Document for Rehabilitation works in Town Gori, "Kombinati Residence" (USAID/CW/ICB/04-2012)	Sep 3
40.	Review of Draft Contract (USAID/CW/ICB/03-L2/1-2012) for Rehabilitation of Internal Roads in Town Oni & Attachments to Contract	Sep 4
41.	Review of Bidding Document for Rehabilitation works in Town Gori, "Kombinati Residence" (USAID/CW/ICB/04-2012)	Sep 4
42.	Annual Work Plan (FY 2012/13) for the Municipal Infrastructure and IDP Housing	Sep 4

#	Reports and Deliverables October 2011 – September 2012	Date
	Rehabilitation Project	
43.	Review of BSG submittals: QA/QC Plan, Technical Specifications, and Goriijvari Bill of Quantity	Sep 5
44.	Review of Signed Contract for Roads Rehabilitation Project (USAID/CW/ICB/03-2012)	Sep 5
45.	Architectural Floor Plan Review of the Police Bldg (Kutaisi) & Statistic Buliding (Tskaltubo)	Sep 8
46.	Review of IFB for Gori water supply/metering sub-project (USAID/W/ICB/04-2012)	Sep 11
47.	Review of Technical Document Register for IDP Housing Rehabilitation Project	Sep 11
48.	Review of Variation Order for Bush Cleaning along the Irrigation Canal	Sep 16
49.	Architectural Floor Plan Review of six buildings under IDP Housing Rehabilitation Project	Sep 16
50.	Review IFB for Gori water supply/metering sub-project (IFB No. USAID/W/ICB/04-2012)	Sep 16
51.	Environmental Scoping Stakeholder Meeting Report for the Oni Water Supply sub-project	Sep 18
52.	3D views of a typical open living area for IDP Housing Rehabilitation Project	Sep 19
53.	Review of BSG submittals for Mtskheta streets: Bill of Quantity, Work Schedule, Environmental Management Plan, and Technical Specifications	Sep 19
54.	Review of Bidding Document for Cottage WS	Sep 30

3. ACTIVITIES PLANNED FOR NEXT QUARTER

Activities planned for next quarter include:

3.1 Component I Municipal Infrastructure

3.1.1 Project Selection

All projects have been identified and there are no new projects planned at this time.

3.1.2 Procurement

The following activities will be carried out during next quarter:

1. Gori Water Supply DB contract:
 - Assist MDF in evaluating and selecting the contractor (October)
2. Dusheti Flood Protection design contract:
 - Cancelled
3. Oni Water Supply Construction Contract:
 - Assist MDF in preparing, reviewing, finalizing and issuing the bid documents (November)
 - Assist MDF in organizing pre-bid meeting for the Gori Water Supply DB contract (December)
 - Assist MDF in evaluating and selecting the contractor (December)

Based on the approved projects Tt will assist in preparing and reviewing the bid documents for the following projects:

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed (estimated)
1	Municipal Infrastructure Water Supply	Rehabilitation of Drinking Water Systems within Apartment Buildings in the City of Gori, "Kombinati Residence"	ICB No: USAID/C W/ICB/04 -2012	DB	N/A	17 Sep	22 Oct	21 Nov
3	Municipal Infrastructure Flood/River Bank Protection	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for Dusheti Gorge Flood Protection in Dusheti Town.	USAID/C/ QBS/03	Design	5 Jul	1 Aug	31 Aug	Cancelled
4	Municipal Infrastructure Water Supply	Rehabilitation of Water Supply Head Works in Town Oni	TBD	Build	N/A	15 Nov	27 Dec	26 Jan 13

3.1.3 Design/Construction Oversight

The following activities will be carried out during next quarter:

1. For Road DB Contract (Lot 1/3) Rehabilitation of Access Road of Village Goriyvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, and Municipal Road Sagolasheni – Dvani
USAID/CW/ICB/03-2012: Contractor BSG
 - Review and approve Designs (as required)
 - Review of project Site Specific Mitigation and Monitoring Plans (SSMMP) prepared by contractors (as required)
 - Monitor environmental compliance (SSMMP) during construction (as required)
 - Attend monthly meetings (monthly)
 - Review all design changes, payments, etc. (as required)
 - Conduct on-site visits and on-site-testing (as required)
 - Review approval for payment (monthly)
2. For Road DB Contract (Oni) Rehabilitation of Internal Roads in Town of Oni
USAID/W/ICB/03-L2/1-2012: Contractor Arnabi 21

- Review and approve Designs (as required)
 - Review and approve SSEMPs (as required)
 - Monitor environmental compliance (SSEMP) during construction (as required)
 - Attend monthly meetings (monthly)
 - Review all design changes, payments, etc. (as required)
 - Conduct on-site visits and on-site-testing (as required)
 - Review approval for payment (monthly)
3. For Gori Water Supply DB Contract ICB No: USAID/CW/ICB/04-2012:
- Mobilize oversight team & procedures (November)
 - Establish DCC (November)
 - Prepare QA/QC Guidelines with appropriate forms (November)
 - Construction Management QA/QC Inspector Training (November)
 - Prepare for Pre-Work Conference (December)
 - Train Contractor on E,H&S procedures (December)
 - Train Contractor on QC/DCC procedures (December)
 - Train Contractor on Cash Flow Procedures (December)
 - Review Contractor Preliminary Project schedule, QC Plan, and Safety Plan (December)
 - Support preparation and review of all submittals, site-specific EH&S compliance documentation by contractor (December)
 - Review designs (as required)
 - Attend monthly meetings (monthly)
 - Review all design changes, payments, etc. (as required)
 - Conduct on-site visits and on-site-testing (as required)

3.1.4 Environmental

The following activities will be carried out during next quarter:

- Complete EA for Oni Water Supply project

3.2 Component 2: Rehabilitation of Irrigation Infrastructure

3.2.1 Procurement

Procurement ICB No: USAID/W/ICB/02-2012 has been successfully finalized and contract signed with Mshenebeli 80 Ltd. No additional procurement activities are expected.

3.2.2 Design/Construction Oversight

The following activities will be carried out during next quarter:

- I. Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems ICB No: USAID/W/ICB/02-2012
 - Review and approve Designs (as required)
 - Review and approve SSEMPs (as required)
 - Monitor environmental compliance (SSEMP) during construction (as required)
 - Attend monthly meetings (monthly)
 - Review all design changes, payments, etc. (as required)
 - Conduct on-site visits and on-site-testing (as required)
 - Review approval for payment (monthly)

3.2.3 Environmental

The following activities will be carried out during next quarter:

- None at this time

3.3 Component 3: IDP Durable Housing Subcomponent I: Provide Water and Sanitation Upgrades for IDP Cottage Housing

3.3.1 Procurement

The following activities will be carried out during next quarter:

1. Improvement of potable water supply in nine villages of IDPs (Gori, Kareli, Kaspi and Mtskheta Municipalities):
 - Assist MDF in preparing, reviewing, finalizing and issuing the bid documents (October)
 - Assist MDF in organizing pre-bid meeting for the Gori Water Supply DB contract (November)
 - Assist MDF in evaluating and selecting the contractor (December)
2. Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Improvement of Drainage (six communities), internal water supply hook-ups (10 communities), Sanitary Upgrades in nine villages of IDPs (Gori, Kareli, Kaspi and Mtskheta Municipalities) for Consulting Services for Design:
 - Assist MDF in preparing, reviewing, finalizing and issuing EOI and review of qualified contractors for Consulting Services for Design (November)
 - Assist MDF in preparing, reviewing, finalizing and issuing the RFP documents (December)
 - Assist MDF in organizing pre-bid meeting (December)
 - Assist MDF in evaluating and selecting the contractor (January 13)

Based on the approved projects Tt during next quarter will assist in preparing and reviewing the bid documents for the following projects:

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP / IFB	Bid Due	Contract Signed
1	IDP Cottage Settlement Water Supply	TBD	TBD	Construction	N/A	19 Oct	30 Nov	30 Dec
2	IDP Cottage Settlement Drainage/Sanitary upgrades	TBD	TBD	Consulting Services (Design)	15 Nov/6 Dec	20 Dec	31 Jan 13	2 Mar 13

3.3.2 Environmental

None at this time

3.4 Component 3 IDP Durable Housing Subcomponent 2: Provide Durable Housing Solutions for IDP from 1990s Conflict

3.4.1 Project Selection

The following activities will be carried out during next quarter:

- Assist in identifying new building site in Kutaisi (November)
- Assist in developing procedures be used for temporary resettlement of IDPs during rehabilitation of the occupied community center buildings (as required)

3.4.2 Procurement

The following activities will be carried out during next quarter:

1. Eight Hospitals
 - a. **Consulting Services (Design)**
 - Assist MDF in evaluating and selecting the contractor (October)
 - b. **Consulting Services (Construction Management)**
 - Assist MDF in preparing, reviewing, finalizing and issuing EOI and review of qualified contractors for Consulting Services for Construction Management (November)
 - Assist MDF in preparing, reviewing, finalizing and issuing the RFP documents for the Drainage/Sanitary upgrade for Consulting Services for Design (December)
2. 28 Occupied Buildings
 - a. **Consulting Services (Design)**
 - Assist MDF in evaluating and selecting the contractor (October)
 - b. **Consulting Services (Construction Management)**
 - Assist MDF in preparing, reviewing, finalizing and issuing EOI and review of qualified contractors for Consulting Services for Construction Management (November)
 - Assist MDF in preparing, reviewing, finalizing and issuing the RFP documents (December)
3. New Buildings
 - a. **Consulting Services (Design)**
 - Assist MDF in preparing, reviewing, finalizing and issuing EOI and review of qualified contractors (November)
 - Assist MDF in preparing, reviewing, finalizing and issuing the RFP documents (December)

Based on the approved projects Tt will assist in preparing and reviewing the bid documents for the following projects:

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed
1a	IDP DH Building Rehabilitation	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection	USAID/C/ QBS/01	Consulting Services (Design)	22 Jun/ 5 Jul	1 Aug	31 Aug	10 Nov

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed
		Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings						
1b	IDP DH Building Rehabilitation	Construction Management Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings	TBD	Consulting Services (CM)	24 Dec/ 14 Jan	29 Jan 13	12 Mar 13	11 Apr 13
2a	IDP DH Building Rehabilitation	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for Twenty-Eight (28) Buildings.	USAID/C/ QBS/02	Consulting Services (Design)	22 Jun/ 5 Jul	1 Aug	31 Aug	10 Nov
2b	IDP DH Building Rehabilitation	Construction Management Services for Rehabilitation Works for IDP Housing for Twenty-Eight (28) Buildings	TBD	Consulting Services (CM)	22 Jan/12 Feb 13	27 Feb 13	10 Apr 13	10 May 13
3a	IDP DH Building Rehabilitation	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for	TBD	Consulting Services (Design)	15 Nov/6 Dec	21 Dec	1 Feb 13	3 Mar 13

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed
		New Buildings for IDP Housing						

3.4.3 Design/Construction Oversight

The following activities will be carried out during next quarter:

1. DB Rehabilitation Works for IDP's Housing Contract No. USAID/W/ICB/01-2011 (10 Bldgs.)
 - Provide TA on Building Mock up (October)
 - Review ready for construction drawings (As required)
 - Attend monthly meetings (as required)
 - Review designs (as required)
 - Review all design changes, payments, etc. (as required)
 - Conduct on-site visits and on-site-testing (as required)
2. Eight Hospitals Design Contract:
 - Attend Pre-design meeting (December)
 - Review Design Quality Control (DQC) Plan (December)
 - Review Site Investigation/Building Inspection Report_10% (December)
 - Attend all design submittal meetings (as required)
3. Twenty eight (28) Occupied Collective Center Buildings Design Contract:
 - Attend Pre-design meeting (December)
 - Review DQC Plan (December)
 - Attend all design submittal meetings (as required)

3.4.4 Environmental

The following activities will be carried out during next quarter:

- Prepare Scoping Statement and initiate EA for construction of new buildings for IDP housing (December)

3.5 Project Management

The following activities will be carried out during next quarter:

- Coordination with other donors and technical assistance activities (as required)

3.6 MDF Financial Review

The following activity will be carried out during next quarter:

- Review and clear monthly MDF advances (monthly)

3.7 Training/Workshops/Events

The following activities will be carried out during next quarter:

- Contract Pre-Work Conference: All Contracts (as required)
- Contractor QC/DCC training (as required)
- Contractor E, H & S training (as required)

3.8 Reports and Deliverables

The following reports and deliverables are planned per task order for next quarter:

Report	Date
C. Bi-Weekly Meetings and Reporting	As required
E. Quarterly Progress Reports	10 Jan 13
H. Performance Monitoring Plan Update	As required
J. Annual Report	1 Nov

4. PROBLEMS AND ISSUES

4.1 Technical & Geographical Diversity of the Proposed Projects

GMIP is composed of a wide range and types of subprojects, from roads, flood protection works, domestic water supply and irrigation systems to the rehabilitation of IDP apartment buildings and improved water supply and sanitation for IDP cottage communities. The subprojects are situated over a fairly wide area of Georgia, and travelling from one to another can take several hours by road. Works include:

- Infrastructure improvement projects in five municipalities involving
 - 35 km of road repair for over 75 streets & roads (Gori, Dusheti, Mtskheta, Kareli, Oni)
 - Internal water supply hook-ups for 122 buildings & 3,765 apartments in Gori
 - Water supply treatment facility upgrade for 2000 persons in Oni
- Irrigation rehabilitation in two large schemes with over 100 km of canals.
- Water supply and sanitary upgrades for 11 cottage settlements (2000 cottages) in two regions and five districts
- Rehabilitation of 46 IDP apartment buildings and two 100 apartments located in five regions
- Possible construction of two-five new apartment buildings in Kutaisi

Successfully covering QA on all these subprojects is a major challenge. This wide diversity of activities over a wide geographical area presents engineering, management and site supervision challenges. A Tt regional office was established in Kutaisi to assist with implementation of works in Western Georgia.

4.2 Roles & Responsibilities of Tetra Tech

Tt has many and varied roles and responsibilities under the GMIP program, from oversight on project management, construction, procurement, and QA/QC; to preparation of environmental and other studies; as well as review and analysis of designs and studies prepared by others. To assume and prepare for these roles and responsibilities, Tt has assembled a staff focused on oversight and monitoring. Tt has limited long term resident staff available to assume direct design review or direct contract management. Although maximum use of local consultants is emphasized, arrangements have also been made to draw on Tt's cadre of HO engineers as STTA when required.

Tt has played a more critical and important role in project oversight than initially anticipated. At the request of USAID, Tt has increased its staff and level of effort in the transition from the preliminary project selection phase to the procurement and design/ construction phases. Specific areas that have required additional effort have included:

1. Preparation of EAs
2. Procurement preparation and review
3. Detailed Design review
4. Construction management oversight
5. QA/QC compliance
6. Document Control
7. MDF Financial Invoice Reviews

8. Project Performance Monitoring

A Gap Analysis was carried March – May 2012 to review roles and responsibilities of Tt. The review recommended that Tt add:

- Two additional project engineers
- More English language translation capability
- A reports writer
- Two additional vehicles for when construction activities pick up
- The services of one additional long term technical assistance (LTTA) expatriate construction engineer.

Sufficient funds are not available to maintain the current local level of effort (LOE) through the end of the project. Tt conducted a budget review in September and submitted a budget realignment based on currently obligated funds. Implementation of the budget will require a reduction in staff beginning in January 2013 and allows for only a minimum staff for the last four months (August - November 2013) of the Task Order.

4.3 Capacity of MDF

MDF has limited in-house capacity to implement the program. They are stretched very thin and are having some difficulty in providing the degree of design review and on-site supervision required by USAID. The system places a Project Manager over each of the various contracts with a Core Team supporting the Project Manager and a Site Team placed in the field to directly monitor and supervise the construction activities. A major gap exists in the design review. MDF also has difficulty in implementing a full scale QA/QC plan.

A Gap Analysis was conducted during March - May 2012. The analysis confirmed the chief issues or gaps in MDF infrastructure implementation are lack of sufficient full time on-site inspection, written construction management guidelines and/or QA/QC Plans, industry acceptable CCM procedures and/or processes, and organization and motivation. To provide GMIP subproject CM properly with full time on-site inspectors MDF will need additional staffing, vehicles, information technology equipment, and safety and inspection equipment. MDF also seems to lack any safety and environmental compliance capability or they simply are not enforcing their own plans on site. A total of 34 on-site inspectors will be needed to satisfy USAID's request for on-site supervision. It was recommended that if MDF's could not provide these services these services GMIP should consider using Georgian consultant engineering firms through MDF subcontracts but working more closely with Tt.

MDF decided that they would provide the CM for the 10 buildings contract, the roads contracts, the municipal water supply projects, and the cottage settlement water supply and sanitary improvement contracts. For the irrigation project MDF is providing CM; however MOA is providing three staff for on-site inspection. MDF has decided to contract out CM services for the 28 Building and the eight hospital contracts. For the municipal infrastructure projects additional staff may be available from the municipalities. For the water supply and sanitary upgrades at the cottage communities it may be possible with assistance from the NEO project to identify qualified IDP's living in these communities to assist with the on-site supervision. To ensure high quality on-site supervision, training and support will be provided to the onsite inspection teams by Tt, assuming that there are sufficient contract funds available.

Resources to support the MDF project management staff was also an issue. These include staff salaries, field support equipment, travel and transportation. USAID agreed to allow MDF to use project funds for procuring inspection and safety equipment and information technology equipment and gadgets. Under the GMIP funding agreement, it is difficult for USAID to cover the costs of staff salaries. These are usually considered GoG contributions to the project. USAID has agreed to provide office support, communications, and transportation costs through the various contracts. Initially MDF rejected the idea but has reconsidered. This mechanism was not included in the 10 buildings contract. MDF negotiated a price with the 10 buildings contractor for supplying these items. It was included in the irrigation contract and is intended to be included in all future contracts. The success in supplying these resources for each of the contracts is still subject to evaluation.

4.4 Project Completion Date

The Tt contract goes through November 2013. The MDF IL is through December 2013. The construction period including turnover was expected to be completed by September 2013. Given the slow start-up phase of the project, delays in procurement and start of construction, a number of construction contracts are expected to finish after this date. The latest procurement schedule shows that five construction contracts, totaling over USD 37 million, are expected to extend beyond November 2013. For example the irrigation contract is scheduled for completion in November 2013. The contract for upgrade of sanitary facilities for cottage settlements is expected to run through January 2014. The contracts for the eight hospitals and 28 collective center building rehabilitation will probably not be signed until November 2012. The designs are expected to take four and five months respectively. The construction tendering process will take a minimum of two months and construction 12 months. This results in project completion dates of April - May 2014. If USAID decides to fund additional new building construction for IDP housing this would require a construction period through June 2014. Assuming the construction works will extend past the project completion date, USAID may want to begin thinking on how best to arrange for the construction engineering and monitoring services now provided by Tt.

4.5 Contractor Bid Participation

For the first contract (Rehabilitation Works for IDP's Housing Contract No. USAID/W/ICB/01-201_10 Bldgs.) There was only one bidder. For the second contract (Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems ICB No: USAID/W/ICB/02-2012) there were only two bidders. To encourage the participation of more bidders, Tt in cooperation with MDF, conducted a contractor awareness workshop in April to explain the upcoming road DB contracts. Nine firms attended; six firms attended the pre-bid meeting; four firms requested bid documents; only two firms bid. One firm bid on Lots 1 & 3 and on Lot 2. The firm that bid on Lot 1&3, BSG, was found responsive and qualified, and was selected. The second firm, Arnabi 21/ Megzeve Ltd was disqualified for failing to submit all necessary documents. Roads Lot 2 was reissued as Oni Roads. Two firms bid, BSG and Arnabi 21Ltd . Arnabi 21Ltd was found responsive and qualified, and was selected. For the Consulting Services for Design for the 10 hospitals there were three bidders, for the 28 collective centers there were three bidders, and the Dusheti Flood Protection there was only one bidder. For the Gori Water supply DB project there was a single bidder.

4.6 Design-Build Contracts

The concept of DB is relatively new to Georgia and MDF. The use of the DB contracts were important in getting the first IDP Building Rehabilitation, Irrigation, and Road projects started as soon as possible. Unfortunately the local contractors have not worked as well as hoped with their local design sub-contractors in implementing the DB contracts. The construction contractors are used to signing a contract, mobilizing, and constructing with minimum interference from MDF and donors. The requirement to prepare full designs that include design drawings, BOQs, specifications, SEMP, QA/QC plans, etc. to be approved by USAID before permission to begin construction has been an issue. In some instances this has caused misunderstandings with the contractor that resulted in delays in start-up, unauthorized start-up, and orders to stop works. GMIP is working through these issues. It is too early to evaluate the success in the use of the DB process in implementation of the GMIP projects; however this showed be part of the lessons learned compiled at the end of project.

4.7 Component I Municipal Infrastructure

The final selection of the municipal infrastructure subprojects is complete.

Road Projects

KAV prepared feasibility studies on five road projects: Dusheti (eight streets), Mtskheta (32 streets), Oni (five streets), Gori (27 streets) and Sogholasheni-Dvani motorway. The Gori streets were dropped by the municipality. Separate designs were prepared for Gori municipality by Geo LTD for Gorijvari Road and Pushkin Street. These two subprojects were originally to be tendered directly for construction. Because of questions on the design and MDF's urgency to complete construction as soon as possible before the winter season, the two subprojects were included in the Road DB contract. Because of uncertainties on contractor willingness and willingness for local national contractors to do work in Oni, the Roads DB tender was issued with three separate lots: Lot 1 (Dusheti & Mtskheta); Lot 2 Oni; Lot 3 Gorijvari Road, Pushkin Street (Gori), and Sagolasheni-Dvani motorway. MDF planned for the work to be completed by November 2012; therefore the contract was tendered with a five month design/construction completion schedule. There were two contracts. Both were DB and signed on August 17. One with BSG for Lots 1&3 and one with Arnabi 21 Ltd for Oni roads. Unfortunately the contractors were verbally instructed to start the work by MDF before review and approval of the designs. This was due in part to a lack of understanding of the DB concept and their urgency to complete the work in a hurry. At the request of USAID the work was stopped and the contractors were instructed to prepare proper designs in accordance with the contract. As of the 1st week in October works were officially stopped at all sites pending submission of proper designs and environmental SEMP. The contractors have been made aware of their contract obligations and are expected to complete the contracts within the five month contract period. Payment procedures for work performed before contract approval was issued remains an issue.

Dusheti Flood Protection Works

A separate EA is required for the flood protection project. Due to limitations on the availability of project funds for municipal works, at the request of MDF based on municipality priorities, USAID agreed to drop this project.

Internal Water Supply and Installation of Water Meters in Gori

GUWC prepared a design for internal water supply and installation of water meters in apartment buildings in Kombinati Settlement in Gori. It was reported that the external water distribution line for the area was recently rehabilitated and sufficient water and water pressure are available at the head works. However, the pressures in the external line in the Settlement project area are only 0.5 -1 Atmosphere (ATM) versus a design requirement of 3 ATM. Because of the uncertainty in the external water supply delivery system GUWC has proposed pumps be installed in many of the 122 buildings. At the request of GMIP GUWC conducted field tests on the external supply line and prepared a computer simulation model to determine where and why the water losses are occurring. Because of the uncertainties in the design MDF agreed to issue the tender as a design-build contract to allow a thorough design review before proceeding with construction. The bid opening for the design build contract was October 22. The bid price was USD 1,064,685. The cost of civil works was 9.5% higher than the engineer's estimate.

Oni Water Supply Project

The original design involved a sophisticated, membrane filter, water treatment plant without any system storage. After discussions GUWC agreed to review the design requirements. A less expensive, more traditional, rapid sand filter treatment process with a small storage tank is now being proposed. The designs and costs data were prepared by GUWC. The project was evaluated and approved by Tt. An environmental scoping statement was prepared. The bid documents for construction are under preparation. There are no problems or issues at this time.

4.8 Component 2: Irrigation Infrastructure

The bid amount for the contract exceeded the USAID budget ceiling allocated for the irrigation component. Therefore the ceiling for the contract was set at USD 8.1 million. Because of the uncertainty of the cost of the structures and the feasibility level of the quantity estimates the extent of the works that can be completed within the allocated budget needs to be re-evaluated and prioritized to maximize the original benefits that can be expected under the project.

Due to the late signing of the contract (May 31) the irrigation season had already started and water was flowing in the canals. The actual closure date for Tiriponi Main canal and Saltvisi Main Gravity canal was not until October 8 and October 15 respectively. The contractor failed to organize procedures for shutting down parts of the irrigation system or working around this problem. Therefore during the first four months of the contract, the contractor was unable to conduct proper inspection on the condition of the canals and related structures and carry out proper canal surveys required for estimating material quantities needed for design. The contractor was also unable to gain access for inspection and survey purposes to several of the lower level canals because of private land ownership. As a consequence several of these canals were dropped from the proposed works.

Because of limited access to canals and canal structures during the irrigation season, the contractor instead proposed rehabilitation and construction of the access and O&M roads for several of the canals. The final set of roads to be prepared was discussed and agreed with the

MOA Irrigation Company. The contractor also proposed several works that were not part of the original works. Because of their importance, USAID, MDF, and MOA agreed to include them in the proposed works. These included:

- Lining of the head reach of the Saltvisi Main gravity canal and rehabilitation of river embankment protection for the canal just downstream of the Nicosi headworks.
- Construction and realignment of a connecting canal between the Saltvisi Main Canal and the distributary G-2. The original off-take is now in occupied territory and the connecting canal will allow irrigation water to reach over 1000 ha. Now cut-off from the main canal.

Unfortunately the quality of the designs and construction work has not met original expectations. Tt has been working with the contractor to improve this situation through increased demands on the designer and on-site supervision and material testing. The designer's experience with geographic information systems, preparing electronic drawings, and modern irrigation performance strategies is limited.

Safety issues have become a major concern as well. Ordinance (mines and traces of cluster bombs) left over from the 2008 conflict have been uncovered during the construction. The GoG agency responsible for removing and disarming live ordnance was called to assist. They conducted an initial survey and recommended a professional group be hired to clear the danger areas. USAID and GoG are in discussions with a group called Halo to conduct this operation. There was also the kidnapping of a driver and the theft of a concrete mixer along the Saltvisi Main canal. The driver was released; however the truck is still missing. MDF and the contractor have been requested to prepare a security plan to prevent this from happening in the future.

4.9 Component 3: IDP Durable Housing Subcomponent I: Water and Sanitation Upgrades for IDP Cottage Housing

The municipalities were not able or willing to allocate the land required for construction of infiltration fields required for supporting the septic tank waste water treatment option. A second but more sophisticated and expensive option of installation of a package activated sludge treatment plant (Biotal) was also proposed. However the municipalities did not respond to requests for guarantees of a dedicated O&M budget to support these WWT facilities. USAID requested Tt carry out an "alternatives" study to determine the best site specific options for each settlement. The only economically viable solution seems to be to provide individual septic tanks with on-site soak pits and/or sand filters. The decision was made to review and prepare various cost options under a design contract that is currently under preparation.

One of the sanitary improvements involves the construction of a combined flush toilet/shower facility. Ideally this would be connected directly to each cottage. However, MDF under a separate EU funded contract is currently installing special insulation on the outside of all of the cottages. Construction of any structure that would attach directly to the cottage would require cutting a door through the outside cottage wall. There is concern this would interfere with the integrity of the insulation and potentially place blame on USAID if there were future problems. Alternatives will be considered during the design phase.

Water quality testing of the water supply sources by Tt for the cottage communities (9) where improvements in water supply have been planned showed high nitrate concentrations (110 mg/l)

in the ground water supply for the cottage community of Shavshevbi. An alternative water source, identified during the original hydrogeological investigation carried out in 2010, was proposed. At the request of USAID, MDF prepared the designs and BOQs for the alternative water source and this will be included in the construction contract.

Considerable concern has been raised by various donors and USAID on the extent of the mold problem in many of the cottages. It seems to be a universal problem caused by improper construction and inadequate drainage. USAID decided to address the drainage issue under GMIP. The improved surface drainage proposed in the Holinger design will be included in the design contract for sanitary upgrades. This will allow a renewed look at various drainage alternatives including sub-surface drainage, installation of storm drains and gutters for each cottage, and improved local yard drainage.

4.10 Component 3 IDP Durable Housing Subcomponent 2: Durable Housing

Of the various program components, the IDP durable housing may be the most complicated component to address. The issues surrounding IDPs and the intense sensitivity of IDPs, their interaction with each other and with broader non-IDP communities, can be complicated and require careful consideration throughout to avoid possible problems during implementation. Cooperation during the planning and design stages between MRA, MDF and USAID to identify, anticipate and plan actions required to mitigate risks for all possible issues is essential for final success. IDPs living in the durable housing units that will be rehabilitated will be relocated during and after the construction. Experience has shown this practice of moving the IDPs is a very complicated and requires careful and thorough planning. If temporary relocations are implemented without good and regular communication, and without adequate provision for quality of life issues, IDPs will not only fail to support the rehabilitation, but the larger Georgian community (NGOs, politicians, etc.) may fail to support it, and may actively work against the project. Poorly planned and implemented temporary relocation could derail support for the project. Mitigation, in the form of a Resettlement Plan with regular and inclusive communication, will be required to offset any adverse impacts. MRA has taken responsibility for relocating IDPs during construction works. USAID has been working with MRA and NEO to come up with possible solutions that include:

- Preparation of a data base of IDPs that will be resettled.
- Start of negotiations with IDPs in the collective centers to resolve any issues prior to the resettlement.
- Preparation of the strategy for temporary resettlement and identification of the target group for permanent resettlement.

Ownership of the buildings and surrounding area has become a major issue. Of the original 93 buildings identified by MRA for rehabilitation, only 36 buildings are being considered for rehabilitation (10 unoccupied and 28 occupied collective centers). Only those buildings with confirmed government ownership are being considered. However some of the buildings are under partial lease or have not been registered properly. MRA is correcting these inconsistencies.

Availability of water and sewage for the buildings proposed for rehabilitation is also a major problem. USAID will not fund any external sewage facilities. Unless GUWC or the municipalities have exiting connections or facilities, will guarantee funds or construct new facilities, USAID will

not consider these buildings for rehabilitation. MRA, working with GUWC and the municipalities, is addressing these issues.

USAID is concerned that there could be one or more families in each of the 28 collective centers proposed for rehabilitation that will not be willing to vacate their current apartments. The families are concerned they will not be able to return to their original apartment, will be given a smaller apartment or will be relocated to a less desirable location. MRA conducted a survey to determine the extent of this problem. The results were inconclusive. If even one family refuses to relocate then this may make the entire building ineligible for rehabilitation under the USAID program.

One alternative being considered by USAID is the construction of new buildings. A concept study was conducted in May 2012 by Tt at the request of USAID. Three locations were reviewed: Batumi, Poti, and Kutaisi. It was determined that Kutaisi was the best location. The cost of a new building was estimated at USD 591,470 (USD 836/m² or USD 28,758/apartment). MRA has agreed.

There have been several problems/issues that have occurred during implementation of the contract for rehabilitation of the 10 unoccupied buildings. Most have been solved.

- Three of the ten buildings planned for rehabilitation under the first contract (10 buildings) had occupancy issues. The two hospitals in Zestaphoni were under lease until September 2012 and hospital staff were working in these buildings. They vacated the buildings right after the contract was signed. There were two non-IDP families living in the former police building in Kutaisi even after construction had started. MRA worked with the municipality to resettle these families.
- The five hospitals buildings had medical inventory. MRA signed a contract for clearing the hospital inventory. As of 1 October two of the hospital buildings in Zestaphoni were still being cleared.
- One building in Zestaphoni had communication equipment and antennae from three telecommunication companies on the roof. There was concern of a potential health risk. At the request of MRA the communication companies provided medical clearance on the safety of the communication equipment.
- External sewage connections and disposal were problems on three buildings. Construction permits were delayed pending submittal of letters by GUWC and municipalities committing funds to provide sewage connections or on-site treatment. The letters and a promise of funding were provided.
- USAID had questions on structural stability for one of the buildings in Zestaphoni. The contractor was not allowed to proceed until a separate outside expert was hired to review. The outside expert signed off on the building as being structurally sound.
- USAID requested several layout floor plans be prepared by the designer for each of the buildings. At the request of USAID, MDF hired a local architect to provide alternatives. Tt also had their HO provide options. Focus groups were held with IDPs and their preferences incorporated into the designs.
- Three buildings had asbestos-cement roofs. Initially the contractor failed to follow proper removal and disposal procedures. Training was provided by Tt. The contractor implemented an improved health and safety program. Tt has continued to monitor.

- All building designs must be in compliance with USAID Policy on Standards for Accessibility for the Disabled. The designer was required to revise several sets of their original designs to comply with these requirements.
- The contractor is required to prepare mock-ups in each building. Even though training was provided to MDF and the contractor by Tt and assistance was given in initially setting up a "Phase I" mock-up there has been resistance to the concept by the contractor. The contractor was informed they would not be given permission to proceed with any internal work unless they complied. As a consequence the contractor is working with MDF and Tt to prepare a "Phase II" mock-up for two buildings, Kutaisi Police building and Tskaltubo Statistic building, which are expected to be completed in early November.

4.11 Administrative/Staffing Issues

As mentioned previously, additional local long term staff have been required to support the oversight role of Tt. To strengthen oversight presence and to save travel costs to Oni and Western, two local staff (Regional Engineer and Oversight Construction Engineer) were hired to support the operations from the Tt regional office in Kutaisi. A roads engineer was hired to provide design and construction oversight for the six road projects. A Document Control Officer was hired to maintain all project records and to train and monitor the document control processes of MDF and more than almost 20 expected contracts. Additional STTA staff for editing, monitoring and evaluation, and design review will also be required. The Gap Analysis also suggested that an additional expat long term resident engineer be considered. USAID is aware of these requirements and is investigating possible alternatives for supporting these initiatives.

The original Expat STTA LOE for the environmental program was 128 days. More than 240 days have been expended to date to assist with clearance of 10 separate environmental actions, considerably more than anticipated in the original work plan. Most of this additional Expat LOE for environmental specialists has been required to support the increased EA requirements for the Municipal Infrastructure and Irrigation projects. There was also additional Expat STTA required for preparation of the DB bid documents, the CM GAP analysis, and the cottage settlement wastewater treatment alternative study. It is also anticipated that preparation of comprehensive O&M documents and turnover inspection and approval for all the works will require Expat STTA.

Tt has five vehicles to support the QA program. Only four vehicles were originally budgeted under the project. With the opening of a regional office a fifth vehicle was required. Some cost savings occurred because the vehicles were supplied in stages; however sufficient funds may not be available to support all the vehicles through the life of project.

Budget realignment was prepared and submitted to USAID in September 2012. A restructuring of the budget was required to readjust for LOE in certain categories not anticipated in the original budget. Although the actual Year 1 budget (June 2011 - May 2012) was 2% less than the original budget, to meet current project needs and requirements for Year 2 (June 12 – May 13) it will be necessary to increase the Year 2 budget to USD 1,992,846 with an average monthly burn rate of USD 166,000 or 6% increase over the original budget. To account for increases in the Year 1 & Year 2 budgets, the proposed Year 3 (June 13 – November 13) budget will need to

be reduced 9% from the original. Implementation of the realigned budget will require a reduction in staff beginning in January 2013 and will allow for only a minimum staff for the last four months (August - November 13) of the Task Order.

5. PERFORMANCE MONITORING

5.1 Evaluation Plan Framework

Tt has ensured that the program is implemented fully in line with USAID requirements. To the extent deficiencies have been identified, Tt has provided immediate technical assistance to remedy.

5.2 Performance and Progress in Achieving Targets

The performance indicators and progress in achieving these targets during the Year 2 is presented below.

5.2.1 Component 1: Municipal Infrastructure

Performance Targets: Performance indicator for the Municipal Infrastructure sub-component is number of beneficiaries receiving improved infrastructure service. 270,000 beneficiaries (including 22,000 IDPs) is the target.

Progress towards achieving the target: So far number of beneficiaries is zero as we have not started rehabilitation works yet although the target will be achieved once the sub-projects in the portfolio are implemented.

5.2.2 Component 2: Rehabilitation of Irrigation Infrastructure

Performance Targets

Three performance indicators were selected:

#	Performance Indicator	Target
1.	Number of beneficiaries receiving improved infrastructure service;	20 thousand Households/farms (including 8,000 IDPs)
2.	Number of additional and improved hectares irrigated	20 thousand hectares (improved and additional)
3.	Increased family/farm income	USD 7 million (based on average additional income 350 USD/Ha/Year)

Progress towards achieving the targets

So far number of beneficiaries is zero as we have not started rehabilitation works yet, although the target will be achieved once the rehabilitation of Tiriponi and Saltvisi Irrigation Systems is completed in November 2013.

5.2.3 Component 3: IDP Durable Housing Subcomponent 1: Provide Water and Sanitation Upgrades for IDP Cottage Housing for IDPS from the August 2008 Conflict

Performance Targets

Two performance indicators were selected:

#	Performance Indicator	Target
1.	Number of beneficiaries receiving improved infrastructure service	IDPs – 12,250 Persons (Equal to 3,500 Cottages, assumption 3.5 Persons per cottage)
2.	Number of IDP family dwellings with upgraded living facilities and monetary value of benefit due to upgraded living facilities for cottages	3,500 Cottages Monetary value needs to be defined.

Progress towards achieving the target

So far number of beneficiaries is zero as we have not started rehabilitation works yet although the target will be achieved once the planned activities are implemented at the Cottage Settlements.

5.2.4 Component 3: IDP Durable Housing Subcomponent 2: Provide Durable Housing Solutions for IDP from 1990s Conflict

Performance Targets

Two performance indicators were selected:

#	Performance Indicator	Target
1.	Number of beneficiaries receiving improved infrastructure service;	IDPs – 8,750 Persons (Equal to 2,500 Apartments, assumption 3.5 Persons per Apartment)
2.	Number and value of IDP family dwellings with upgraded living facilities	2,500 Apartments ¹ (Min 50 Million US Dollars (estimated value of Apartment from 20 (1 Room) to 40 (2 Room) thousand USD, based on market value in Kutaisi)

Progress towards achieving the targets

So far number of beneficiaries is zero as we have not started rehabilitation works yet. Information about the targets achieved after rehabilitation of the above mentioned three IDP Housing sub-projects is given in the table below:

¹ Based on exact distribution of number of one, two and three room apartments value in USD will be appropriately adjusted (20 thousand USD is used for the moment).

#	Name	Apartments, Unit	Beneficiaries, person	Market value, USD
1	10 buildings	348	1,218	6,960,000
2	8 hospitals	1,062	3,717	21,240,000
3	28 Collective Centers	973	3,406	19,460,000
Total		2,383	8,341	47,660,000
Performance Targets		2,500	8,500	50,000,000
Achievement percent		95.3%	98.1%	95.3%

6. STAFF LEVEL OF EFFORT

The GMIP LTTA and STTA professional, technical, and administrative support staff for the reporting period are presented below:

6.1 Resident Staff

Six additional local long term engineering staff were hired during the Year:

- Givi Varduashvili, Senior Civil Engineer
- Vasil Apkhazava, QA/QC Engineer
- Otar Maghalashvili, Irrigation Engineer
- Koba Tsiramua, Regional Engineer
- Avtandil Baramia, Regional Construction Over-Site Engineer, Kutaisi
- Anna Urotadze, Document Control Manager

Resident Tt staff are listed below:

Name	Position
Jeffrey Fredericks	Chief of Party
Ilia Elovshvili	Infrastructure Manager & DCOP
Teimuraz Levanishvili	Housing Rehabilitation Manager
Mamuka Shaorshadze	Environmental, Health & Safety Specialist
Archil Lezhava	Displaced Person Relations/Outreach
George Nizharadze	Office Operations Manager
Irakli Kakulia	Paralegal/Licensing & Permits
Givi Varduashvili	Senior Civil Engineer
Vasil Apkhazava	QA/QC Engineer
Otar Maghalashvili	Irrigation Engineer
Koba Tsiramua	Regional Engineer (Kutaisi)
Avtandil Baramia	Regional Construction Over-Site Engineer (Kutaisi)
Anna Urotadze	Document Control Manager
Maia Dvali	Translator/Interpreter

6.2 Short Term Staff during the Report Period

The following expat STTA provided support in Georgia during the report period:

- David Casella, Procurement Integrity Training (October 16 - 21)
- Mark Jensen, Sr. Water Resources Engineer (October 18 – November 22)
- William James, Sr. Project Manager (October 25 - November 21)
- Jim Hayden, Construction Engineer, (October 20 – November 25; June 16- July 18)
- Jim Gallup, Environmental Specialist (December 3 – 17; June 23-July 6)
- Michael McGovern, Sr. Construction Manager /Engineer (March 1- 31)

The following expat STTA provided support from the home office or from the US during the report period:

- Moenes Youannis, Procurement/Project Management Specialist
- Terri Stiffler, Construction Management QA/QC Engineer
- James Gallup, Environmental Specialist
- Karen Menczer, Environmental Specialist

- Mark Jensen , Sr. Water Resources Engineer
- David Beecy, Sr. Civil Engineer
- Zhijian (Jason) Tang, Mid Water Resources Engineer
- Joseph Hanlon, Sr. Project Manager
- Brian Ackley, Sr. Transportation Engineer
- Lauren Day, Jr. Administration Support
- Russ Riddell, Senior Project Manager (Technical Services Manager)
- Kristen Bouffard, Sr. Project Architect
- Frank Harrigan, Sr. Structural Engineer
- Pete Oliver, Architect
- Jeff McKenna, Sr. Mechanical Engineer
- Gerard (Jay) Dunham, Sr. Sanitation Engineer
- James Smoyer, Sr. Electrical Engineer

The following local STTA provided support during the report period:

- Ivane Manjgaladze, Infrastructure Engineer
- Giorgi Avsajanishvili, Housing Engineer
- David Girgvliani, Environmental Consultant
- Sergo Gviniashvili , Finance Specialist
- Mamuka Gvilava, Environmental Consultant
- Archil Uturashvili, Economist

6.3 Home Office Staff

The Tt HO management staff supporting the project are listed below:

Name	Position
Firouz Rooyani	A&E IQC Program Manager
Renee Valentino	Contract Manager
Shelly Rice	Subcontract Specialist
Brian Potvin	Task Order Manager & QA/QC
Thomas Chicca	Task Order Manager & QA/QC
Susan DeMarre	Project Analyst
William Sontag	Project Analyst
Brian Bemis	Sr. Administrative Assistant
David Sharashenidze	Home Office Coordinato
Stephanie Coulis	Contracts Administrator

6.4 Other Administrative & Staff Issues

Purchase Orders for local contract services during the quarter included:

- Two local civil engineers, Gela Bochorishvili and George Kvetenadze, were contracted to conduct site visits for Component 3b. Buildings Western Georgia for 65 buildings.
- Givi Varduashvili, Senior Civil Engineer was contracted to provide technical support to assist in the inspection of hospital buildings to determine their suitability for rehabilitation under GMIP Component 3: IDP Durable Housing.
- Vasil Apkhazava, QA/QC engineer, was contracted to provide technical support to assist in preparation of a Tt QC monitoring, inspection and acceptance program.

- Giorgi Bichiashvili, Infrastructure Engineer, was contracted to provide technical support to assist in review for Components I (Municipal Infrastructure) Roads
- Tt has made arrangements with subcontractor Autorent Ltd for provision of auto services.
- Tt office information technology support is provided by IT Fix Ltd.
- Tt has an agreement with MagtiCom to provide corporate mobile communication service.
- Tt has an agreement with JSC Insurance Company Imedi-L to provide health insurance service for LTТА project staff.
- LTD “Caucasus Online” provides GMIP office with high speed internet.
- Tt signed a fixed price agreement with General Partnership Kavtaradze & Partners to provide various legal services to GMIP.
- Intelligent Cadastre Group Ltd was contracted to conduct an ownership survey for 12 IDP buildings.
- Intelligent Cadastre Group Ltd contracted to conduct an ownership survey for 29 IDP buildings.
- Intelligent Cadastre Group Ltd was contracted to conduct an ownership survey for 14 Hospital buildings.
- Archil Uturashvili, Economic analyst, was contracted to provide an economic analysis support on Gorijvari roads.
- Scientific Research Firm GAMMA was contracted to conduct water quality testing in seven settlements in Gori and Kareli regions.
- Tt has made arrangement with Sole Proprietor David Tsagurishvili for the provision of additional vehicle and driver service to the project.
- Tt has an agreement with Rima Boshishvili for the provision of GMIP office cleaning service.
- Scientific Research Firm GAMMA was contracted to conduct water quality testing in six places of three settlements in Mtskheta and Kaspi regions.
- Separate agreement was signed with Scientific Research Firm GAMMA to provide water quality testing on Biotal Waste Water Treatment Facility.
- Translation company Dikke International was contracted to provide a translation of the “Employer’s Requirements” of the Irrigation bid document.
- Agreement was signed with Gitec Ltd to provide GMIP with the file server.
- Mariam Vasadze was hired as office cleaner for Kutaisi regional office and contracted under simplified purchase order.
- Besarion Gulashvili was hired on the position of photographer to assist project staff on workshops and various award ceremonies and provide GMIP with high quality photo material.
- PC Shop Ltd was contracted to provide computer equipment to MIP project.
- Agreement was signed with Debet Georgia Ltd to provide MIP staff members with necessary safety equipment and cloth.
- Tt has made arrangement with sole proprietor Roland Begiashvili for the provision of additional vehicle and driver service to the project.
- Tt has made arrangement with sole proprietor Besik Abaishvili for the provision of additional vehicle and driver service to the project.

- It has an agreement with JSC Insurance Company Aldagi BCI to provide health insurance service for LTTA project staff.

7. STATUS OF FINANCES AND EXPENDITURES

GMIP has completed 16 months of the 30 month contract (53%).

Financial summary for the reporting period October 2011 – September 2012 is presented below:

Contract No.: EDH-I-00-08-00027-00
Order No.: AID-114-TO-11-00002
Georgia Municipal Infrastructure Project
Tetra Tech EMI
Reporting Period: Oct 2011 – Sep 2012
Funding to Date: \$4,777,396

Expense Type	Budget	Previous Period	Current Year	Cumulative To Date	Balance Remaining	Expended
Salaries Workdays Ordered	\$43,703	\$3,414	\$7,006	\$10,420	\$33,283	24%
Fringe/Overhead	\$38,515	\$3,009	\$6,175	\$9,183	\$29,332	24%
Other Direct Costs/Travel	\$4,751	\$155	\$264	\$419	\$4,332	9%
Intercompany/ Subcontractors	\$4,368,581	\$362,163	\$1,845,886	\$2,208,049	\$2,160,532	51%
G&A	\$9,306	\$704	\$1,438	\$2,142	\$7,164	23%
Subtotal	\$4,464,856	\$369,444	\$1,860,769	\$2,230,214	\$2,234,642	50%
Fixed Fee	\$312,540	\$25,861	\$130,254	\$156,115	\$156,425	50%
Total	\$4,777,396	\$395,305	\$1,991,023	\$2,386,329	\$2,391,067	50%

Source: Tetra Tech Voucher # 50604423 (October 8, 12)

US Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov